

Monday, March 9, 2026



HALLGARTEN + COMPANY

Portfolio Strategy

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Monthly Resources Review: Metals in a Time of War

Performance Review – February 2026

Monthly Resources Review

Metals in a Time of War

- + **The endgame of the troublesome regime(s) has begun**
- + **End of the beginning or beginning of the end?**
- + **The launching of a Mid-East war by the US/Israel “alliance” is, in theory, good news for precious metals, even better news for military metals, and not good news for most other elements that are correlated with consumer demand**
- + **The ill-considered Rio Tinto/Glencore merger was called off, generating a loud sigh of relief from us**
- + **Tin hit record levels on the last day of the month at US\$57,000 per tonne**
- × **The beat of war drums reached a crescendo with an ill-advised move against Iran being the *guerre du jour***
- × **Gold and silver moved higher but not as strongly as one might expect for a potentially apocalyptic situation**
- × **Tungsten reached nigh on \$2000 per MTU of APT, which takes it into dangerous territory though war will keep it in play**
- × **Antimony plunged from US\$60 to \$20K on a serious demand slump**
- × **Companies are now recalibrating their dialogue that 1,000 metres of drilling is now a kilometre. Devaluing the only currency they have left.**

Fasten Your Seatbelts

The long derided “it’ll be over by Christmas” that was trotted out in 1914, 1939 and with the start of the Ukraine war has been replaced in the annals of idiotic over-weaning confidence with “it’ll be over by Monday”. Geez....

The conflict is now being called the *Weekend War* by those with a sense of irony. This nomenclature would be amusing if things were not so deadly serious.

Many in the precious metals’ spaces have been girding their loins for months if not years, and hey, we just thought they were self-pleasuring themselves. But lo and behold their moment of being right has come to fruition but scarcely has it been the push to \$10,000 gold that we had been promised. Silver is in fact lower than where it was a few weeks ago. Maybe they would discount this as “buy on the rumour and sell on the news”. This is indeed what seems to have taken place.

Our litmus test of what is a good asset to hold in such a situation is to imagine oneself as a resident of Warsaw in 1939. What serves you best when Panzers start rolling your way? Gold in an ingot, silver in

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coins, Swiss francs or American dollars? Maybe the answer is German marks. The Gulf is the home of excess cash or at least moving around the excess cash of others and pretending that it's yours. The old adage though that "nothing focuses the mind like hanging" could be tweaked to "nothing focusses the mind like bombing" and even worse there is Soviet or Romanian border to run to when the airports are all shut down. What to take when you've bought gold but it's in the vault of your Swiss or London banker? The issue is not how much you have but can you get your hands on it when what you really need is to snaffle yourself a private jet ride out of the influencers' favorite hellhole. Indeed, it prompts the thought, is Dubai the new Somalia? Mogadishu with burning high-rises.

Maybe investors are not selling on the news, but they don't seem to be piling in either. And what of other metals? Who really cares about the Energy Transition metals this week, this month, this year? What profiteth a man to hold copper or lithium? Further complications are added when stocks of the former are trapped in LME warehouses in the Gulf and can neither be added to or withdrawn.

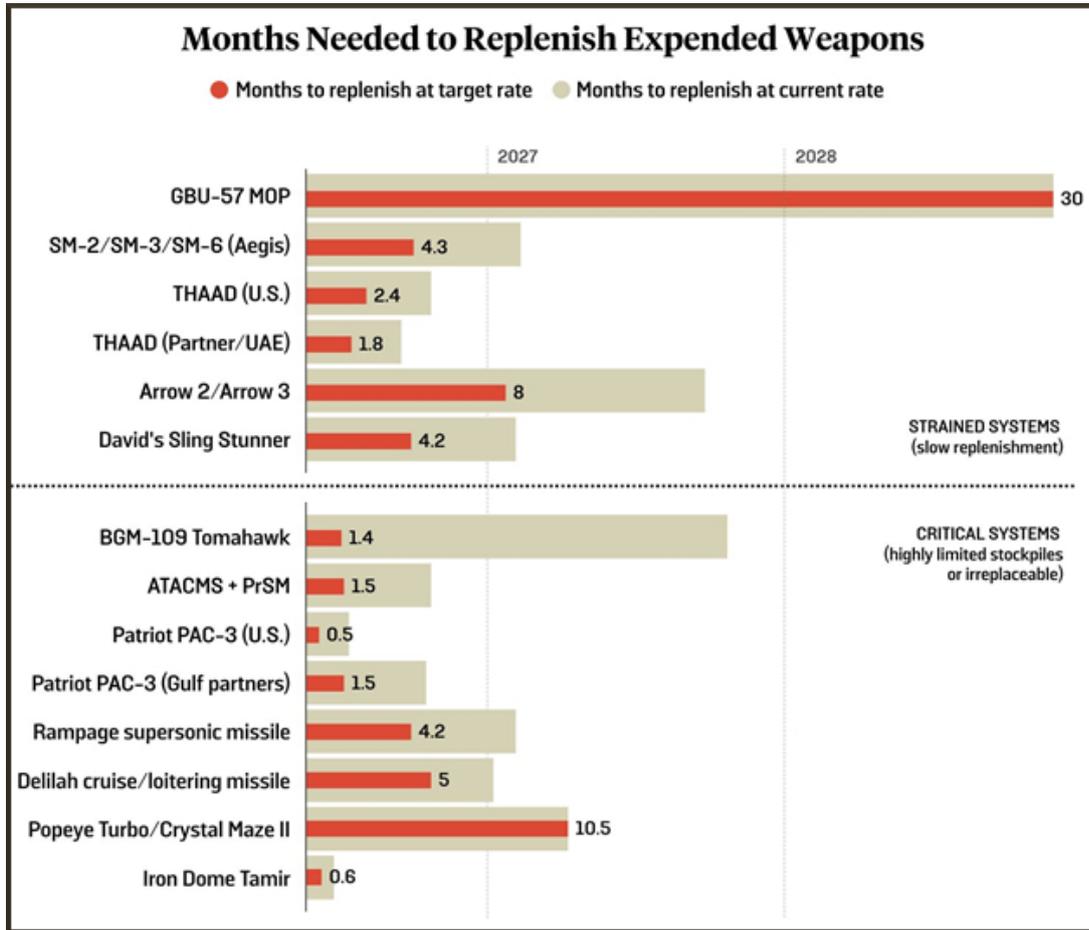
It's a war thus good for metals or so goes the theory. But is it? The main *materiel* consumed so far is just that which goes into the drones or the missiles, which are flitting back and forth. The total tonnage of shipping sunk (naval or commercial is small). If iron ore is the prime military metal (in terms of size) then the war so far is a non-starter. This is similarly the case for aluminium (except the Qataris potlines which have "set"). Copper, nickel and zinc do not figure in this "shooting war".

At the end of the first week of March gathering of the military-industrial complex (the same one Eisenhower warned against) took place at the White House. In attendance were the chief executives of RTX, Lockheed Martin, Boeing, Northrop Grumman, BAE Systems, L3Harris Missile Solutions and Honeywell Aerospace. This was a belated effort to jazz up the "complex" and put pedal to the metal on war production. However, this was Day Six of Operation Epic Failure which was supposed to be over by Day Two or Day Four, so why should any of these execs had a week disturbed by anything beyond the ringing of their tills? It was all supposed to have been over by then, with them carrying on their leisurely and highly remunerative creation of expensive toys.

It does not seem like they were berated like other recent visitors to the inner sanctum. Indeed, they seem to have been given the Mamdani Treatment. However, reports stated that it was not immediately clear whether the meeting resulted in any new agreements to boost production beyond those previously announced by the Pentagon since the beginning of the year. That a follow-on meeting was going to be in two months, pretty well signified the "urgency" of the matter.

Apparently, exhortations for Stakhanovite effort directed to critical metals/minerals companies were also issued. Had MP Minerals and the odious USA Rare Earth (singular) also been summoned/schmoozed? We doubt the CEO of MP knows one end of a pick from another. The crew of both entities are more skilled in the Art of the Deal, than the Art of War Production.

The table on the following page, crafted by the Payne Institute for Public Policy in Golden, Colorado, shows the months to replenish critical and strained weapons systems.



Source: Payne Institute

“Strained” is a new word for the promotorial classes, but we are sure it will get some traction as no conflict goes unturned as a source of inspired marketing. Even we can definitely see that a case could be made for Tungsten, Antimony and even Tin being “strained” at the current time by a number of factors, both military and commercial and both user-side and producer-side.

War is basically bad for business for all except the very few. Those who saw (supposed) streamlined planning/permitting approvals and highly selective largesse towards a couple of critical metals stories as being a Brave New World are in the process of being disabused daily as they watch the unfolding disaster movie.

Next time they offer you kool-aid, “just say no”!

The Tungsten Wars

Understandably Tungsten is a space that is currently on the boil, in many ways good and in one way bad.

We published our update on Almonty last month with our views in general on the space in an Appendix.

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Almonty roiled the waters with its most timely advent of production at Sangdong in South Korea at the tail end of 2025. It also made clearer its plans to reactivate Los Santos in Spain, pulling the mine (or rather the plant) out of care & maintenance for tailings reprocessing which will be blended with product from the mine at Panasqueira in Portugal.

In recent days, we saw a posting by Mark Thompson, the CEO of Tamar Minerals, a tin/copper/tungsten seeker in the southwest of England. This was interesting in that it spelled out the component of Tungsten in the munitions flying hither and thither in the Third Gulf War (otherwise known as the *Weekend War*). Their observation was that Lockheed Martin produces the M30AI cluster munition used by the US in Iran. He noted that there are 180,000 pellets of Tungsten per warhead (amounting to 50kg of Tungsten each).

Lockheed currently produces 16,000 of these per annum, which amounts to consumption of 800 tonnes of tungsten. If they were to quadruple production that would increase their demand by 2,400 tonnes of tungsten per annum. Each warhead costs \$200,000, but even at a Tungsten price of \$300,000 per tonne, 50kg of Tungsten is \$15,000, or only 7.5% of the unit cost.

His argument is that additional this Tungsten demand is units lost to the market. It is not recycled - unlike machine tools consumption where approximately 65% is recycled.

Then there was the news that Patriot Critical Minerals was coming to market in the US with an IPO on the US markets. This has a significant asset in Nevada, humbly called the MEGA deposit. The project is 100% owned by Patriot Critical Minerals and 47 unpatented lode mining claims covering 866 acres. It is subject to a 2% NSR. The company says it is advancing the largest SEC-compliant tungsten resource in the USA. The MRE was prepared by SRK Consulting (U.S.) Inc. and consists of an Inferred Mineral Resource of 21.8 million short tons grading 0.18 % WO₃, containing approximately 78.7 million pounds of Tungsten trioxide (WO₃).

Finally, to return to a theme we frequently beat on which is the lowlives in the Tungsten space who, rather than produce, prefer to snipe from the sidelines. We noted (in our Almonty update) that one of them had been told to cease & desist when Almonty went to court to shut down their wild claims.

It became a matter of record in early October of 2025 when Almonty filed a Notice of Application in the Ontario Superior Court of Justice (Commercial List) against Pure Tungsten Inc.. The filing sought injunctive relief to address materially false and misleading statements circulated by Pure Tungsten regarding Almonty, its flagship Sangdong Mine, and the past involvement of a character going by the name of Tiger Kim, who had previously been involved with Almonty.

We had been been initial "lucky" recipients of the "sneak peeks" from this unlisted company that would have made regulators hair stand on end if they had been part of public disclosure or presentation of a listed company. Not content to gild the lily of their own attractions, they decided it would be good practice (and somehow advantageous) to bad mouth all and sundry in the industry. They have since become subject to one of Hallgarten's *damnatio memoriae*.

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Cherchez le....

We always love a good coincidence...

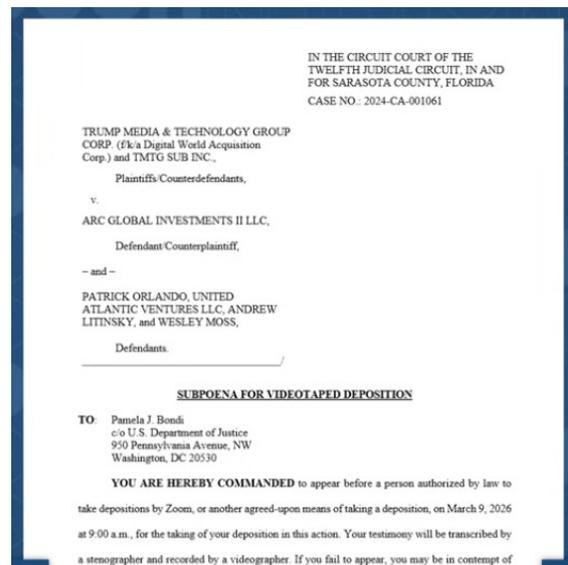
While wandering down the intellectual maze of YouTube we stumbled on a [video on the legal wrangles](#) in Florida over Trump World Media. For a brief second or two, a front page of a lawsuit popped up on the screen and there was a familiar name. The thought struck us..... is this a relation thereof? And yes, after a quick [Wikipedia search](#), it was indeed the brother.

Seems this chap was a co-founder of Trump Media & Technology Group, with Wes Moss and co-founder of Zidelitinsky Media with film producer Warren Zide, producer of film franchises including American Pie and Final Destination.

In February 2024, United Atlantic Ventures (UAV), a partnership between this chap and Moss, sued TMTG for attempting to dilute their ownership stake by increasing the authorized stock from 120 million to 1 billion shares, thus lowering the value of UAV's shares from 8.6% to less than 1%. The lawsuit mentions that Trump attempted to pressure this chap into giving his shares to Melania Trump and then, when he refused, tried to oust him. In March 2024, Trump sued him and Moss for forfeiture of their stock, saying they mishandled and attempted to block attempts to take TMTG public for nearly two years.

This chap and Moss won the ability to sell their stake in Trump Media & Technology Group in Delaware Federal Court on September 6, 2024 after they were granted summary judgment by Federal Court Judge Gregory B. Williams. UAV, this chap, and Moss prevailed over a stock transfer company, Odyssey Transfer and Trust Company, an entity known to us, as well.

In September 2024, UAV sold most of its common stock in TMTG, approximately 11 million shares, which according to CNBC, was worth between \$128 million and \$170 million.



Then, lo and behold, in the first months of the Trump regime, largesse rained down on MP Materials (NYSE: MP). This shows a remarkably magnanimous gesture by President Trump, who is not well known for letting bygones be bygones. Who knew such a kind soul existed within? Or indeed that any soul existed therein!

Model Resources Portfolio Changes

The supercharged stock market for metals' stories made us more wary in February, particularly in the drift to war. We had ditched the **LONG** position in Canada Nickel in January and now decided to shed the

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Palladium ETF (PALL) and Neo Performance Materials (NEO.to). The former was only a price play as Palladium had been left behind. That position had moved up 88% in a year. The latter was the best play on the Rare Earth space's midstream, but it seems clear to us that the REE space is overhyped and heading into a period of high vulnerability in the run-up to a massive over-supply situation. NEO was up 264% over the last 12 months.



We added a **LONG** position in Queens Road Holdings to the Model Resources Portfolio after a lunch encounter with them in London late in the month.

Normally, a 770% rise in a stock price in a year would be a red flag for top-slicing or total extirpation of a position, but when giving a second glance to the price of Century Lithium (which [we initiated here](#)) we cannot help but note that the stunning rally has only taken it back to a CAD\$100mn market cap. While we remain less than ecstatic on the prospects of US EV mandates returning to the “ram it down their throats” style of the Biden crew, we suspect that CAD\$100mn is still too low for a company that has been on the fringes of the Koch Brothers sphere of influence. So LCE.v gets to fight another day (or month or quarter) as a **LONG** in the Model Resources Portfolio.

In Other News

Thesis Gold (TAU.v) changed its name to Thesis Gold & Silver.

Abra Silver had its application for inclusion in Argentina's RIGI (Large Investment) Scheme, launched by Milei in 2025, accepted for the Diablillos project.

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Queens Road Capital (TSX: QRC) – Dividends!

At an investor’s/broker’s lunch in London in the dying days of February we uncustomarily did not have the mention the dreaded D word. Canadian execs usually recoil, start to babble, start to drool, get disoriented when the D-word is brought up. But in this case the company offered the D-word as one of their attractions. Funny that, particularly as the company, from its stock chart, has clearly not suffered for its sin against the one commandment that Bay Street operates under, “Thou shalt not pay dividends”. This commandment was delivered from on high, decades ago, and is usually accompanied by “... and anyway, investors don’t want them”. This is the big lie that underpins the faith.



In any case, QRH is an interesting beast in that its model consists of buying taking on convertible issues, all or in part, collecting a fee for doing so. Then riding the corporate wave to conversion, redemption or reissue. Thus, it terms itself a “leading financier to the global resource sector”. The company is solely resource-focused, making investments in privately-held and publicly-traded resource companies. It describes its strategy as “acquiring and holding securities for long-term capital appreciation, with a focus on convertible debt securities and resource projects in advanced development or production located in safe jurisdictions”.

Maybe it is exceptional skill in the selection process or just luck but it has seemingly not picked any lemons.

	Year 1 2021	Year 2 2022	Year 3 2023	Year 4 2024	Year 5 2025
Declared Dividend Per Share	C\$0.15	C\$0.17	C\$0.19	C\$0.21	C\$0.23
Dividend Yield at Announcement	2.0%	2.7%	2.9%	2.9%	2.6%
Total Dividend Payable	C\$4.3 m	C\$7.6 m	C\$8.6 m	C\$10.0 m	C\$11.5 m
DRIP Participation	74%	90%	51%	79%	69%
Dividend Shares Issued	439,330	963,173	665,296	1,135,253	956,602
Total Cash Dividend Paid	C\$1.1 m	C\$0.7 m	C\$4.2 m	C\$2.2 m	C\$3.6 m
Shares Repurchased	nil	326,069	232,279	125,073	310,056
Total Cash Spent on Repurchases	nil	C\$2.0 m	C\$1.1 m	C\$1.1 m	C\$2.3 m
Cash Payout Ratio*	54%	46%	42%	36%	27%

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Its most recent transactions are shown below in a rather wonky graphic. The most concerning thing, though not for management, was that 50% of the portfolio was Uranium-oriented and 80% of that was NexGen (TSE/NYSE: NXE). Now while we are favorably disposed to that company and the element, prudence would dictate less exposure, via some top-slicing.



Seemingly not though as the company was awaiting the permitting decision for NexGen and it duly came through. This pushed QRC briefly to \$19, but then when NXE itself did not respond particularly to the news, QRC's surge was fleeting. The motto seemed to be "buy on the rumour, sell on the news".

As for Gold Royalty (NYSE: GROY), on which we initiated coverage last year, the expectation is that Tether will knock it together (shotgun marriage?) with Elemental (TSX-V: ELE) which we have as a **LONG** in our Model Resources Portfolio. However, hanging around for that transaction tempts fate as GROY appears overvalued at the moment.

We have added a **LONG** position in QRH to the Model Resources Portfolio with a 12-month target price of a not very challenging CAD\$19.

Parting Shot

We have all had the experience of people asking what one does and when one says "mining" (or mining-adjacent) there is generated either intrigue or (unexpressed) horror. One dreads the conversation that follows because the mysteries of the space take too long to explain and usually we just say "you'd be bored by the details". This probably doesn't do the space any favours by clamming up but one at least does not spoil the party by going all wonkish.

Then there are those occasions when one is approached by someone from capital markets that does not have experience of mining finance and is tasked with wandering into the minefield, literally. How best to describe the highly stylized movements and utterances of mining promoters?

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We might liken them to Thai dancers but they don't speak or sing. So more accurately one might see parallels in a company of Kabuki players. Heavily disguised and able to strike many poses, high-pitched unintelligible wailings and alternating poker faces with forced expressions?



Kabuki, of course, is a classical Japanese performing art, originating in the early 17th-century Edo period, renowned for its highly stylized drama, traditional dance, and elaborate, Kumadori makeup. It features all-male casts performing dramatic tales of historical events and moral conflicts.

The historical event, in most cases, was that Teck discovered the deposit (and just about everything else) and let it go. Though occasionally it includes being drilled by BHP, or Noranda, in the 1980s, when the former company actually did some work of its own.

In promoterland, the chief moral conflict is whether it is too shameless to hide a golf trip to sunnier climes with a conference speaking engagement to a collection of irrelevant investors, or not... Decisions, decisions!

In promoterland, the props are not rubber samurai swords and sliding rice paper screens, but umpteen MREs and PEAs, PFSs and BFSs.

Frankly, it's enough to make one hanker after the original art-form.

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Recent & Upcoming

In the last month we published an Initiation of coverage on Military Metals, an update on Almonty Industries and the most recent Growth Minerals Review.

In the pipeline one might expect an Initiation on Talisker Resources, our review on mining in Somaliland & Puntland, a new Growth Minerals Review, an Initiation on Silver Viper and an Initiation on Brazil Potash.

MODEL RESOURCES PORTFOLIO @ END FEBRUARY							
Security	Ticker	Currency	Price	Change		12-mth Target	
				last 12 mths	last mth		
LONG EQUITIES							
Diversified Large/Mid-Cap	Hochschild	HOC.L	GBP	8.17	345%	23%	£2.80
	Nittetsu Mining	1515:TYO	JPY	4,185	205%	21%	¥2,320.00
Base Metal Developers	Denarius Metals	DNRSF	USD	0.76	92%	62%	\$1.15
Uranium	Sprott Physical Uranium	U.UN.to	CAD	20.26	48%	-10%	\$20.00
	enCore Energy	EU.v	CAD	3.68	87%	-15%	\$4.90
	Energy Fuels	UUUU	USD	21.32	461%	-5%	\$7.50
Zinc/Lead Plays	WisdomTree Zinc ETF	ZINC.L	USD	11.27	22%	1%	\$14.00
	Group Eleven Resources	ZNG.v	CAD	1.00	400%	47%	\$0.35
	Luca Mining	LUCA.v	CAD	1.97	77%	7%	\$1.40
Silver Developer	AbraSilver	ABRA.v	CAD	17.61	461%	48%	\$4.20
	Excellon Resources	EXN.v	CAD	0.66	450%	32%	n/a
Gold Producer	Soma Gold	SOMA.v	CAD	2.39	335%	15%	\$1.10
	Aura Minerals	AUGO	USD	85.59	288%	86%	\$48.00
	Asante Gold	ASE.v	CAD	2.00	74%	6%	\$2.40
	Orvana Minerals	ORV.to	CAD	2.18	652%	15%	\$0.60
	Talisker Resources	TSK.to	CAD	1.83	316%	-5%	\$1.10
Gold Developer	West Wits Mining	WWI.ax	AUD	0.08	433%	14%	\$0.024
	Thesis Gold	TAU.v	CAD	3.54	332%	26%	\$1.32
	Scottie Resources	SCOT.v	CAD	3.08	242%	59%	\$2.25
Fund/Holding	Queens Road Capital	QRC.to	CAD	14.1	127%	4%	\$19.00
Royalties	Elemental Royalties	ELE.v	CAD	32.07	169%	5%	\$25.00

MODEL RESOURCES PORTFOLIO @ END FEBRUARY

Security	Ticker	Currency	Price	Change		12-mth Target	
				last 12 mths	last mth		
LONG EQUITIES							
Copper Explorers	Panoro Minerals	PML.v	CAD	0.80	100%	78%	\$0.85
	Aldebaran Resources	ALDE.v	CAD	3.46	90%	0%	\$2.50
	Arras Minerals	ARK.v	CAD	0.75	-6%	1%	\$1.30
	Copper Giant	CGNT.v	CAD	0.80	248%	31%	\$0.70
Copper/Nickel Developer	NexMetals	NEXM.v	CAD	5.60	-18%	4%	\$3.82
Tungsten Producer	Almonty Industries	AII.to	CAD	25.17	1225%	63%	\$8.10
Tungsten Developer	Guardian Metal Resources	GMET.L	GBP	2.85	778%	58%	£0.88
Graphite Developer	Blencowe Resources	BRES.L	GBP	0.12	196%	50%	£0.09
Lithium	E3 Lithium	ETL.v	CAD	1.12	35%	-7%	\$2.55
	Century Lithium	LCE.v	CAD	0.61	771%	7%	\$1.10
Gold Explorer	Alpha Exploration	ALEX.v	CAD	0.64	-15%	28%	\$1.00
AgroMinerals	MinBos	MNB.ax	AUD	0.12	186%	0%	\$0.09
Rare Earths	Rainbow Rare Earths	RBW.L	GBP	0.21	87%	17%	£0.30
Tin	Rome Resources	RMR.L	GBP	0.30	11%	15%	n/a
	Elementos	ELT.ax	AUD	0.47	683%	31%	\$0.25
	Stellar Resources	SRZ.ax	AUD	0.04	2757%	0%	\$0.06
Mineral Sands	Sheffield Resources	SFX.ax	AUD	0.06	-70%	-25%	\$0.28
Oil & Gas	Shell	SHEL.L	EURO	30.64	15%	10%	£28.00
SHORT EQUITIES							
Shorts	Golconda Gold	GG.v	CAD	4.10	1181%	19%	\$0.15
	Euro Manganese	EMN.v	CAD	0.20	404%	-9%	\$0.12
	Patriot Battery Metals	PMET.to	CAD	5.42	112%	-12%	\$1.60
	USA Rare Earth	USAR	USD	18.90	72%	-16%	\$3.00
	Aya Gold & Silver	AYA	CAD	29.53	152%	34%	\$7.20

Important disclosures

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