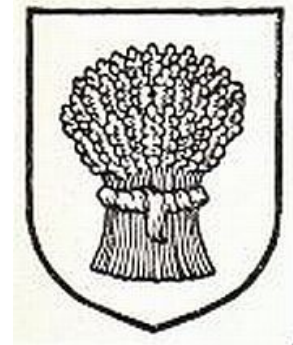


Wednesday, July 8, 2026



HALLGARTEN + COMPANY

Portfolio Strategy

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Monthly Resources Review: Gold's Fading Lustre

Performance Review – June 2026

Monthly Resources Review

Gold's Fading Lustre

- + The assumed denouement of the War on Iran has lifted a burden from the global economy and unclogged the arteries of global trade, at least for now
- + The Russia/Ukraine War appears to be entering the endgame phase with opinions still divided on which side might be the winners
- + Controversy is gaining traction over the Tungsten "deal" in Kazakhstan with the confluence of the Gutnick, Kushner and Trump interests coming under scrutiny
- + Tungsten is upticking again but not with the leaps and bounds of earlier times
- ✗ The ongoing collapse (let us not mince words) of the gold and silver prices is knocking the stuffing out of the developer and explorer categories in mining markets
- ✗ The War on Iran is not over
- ✗ Attempts at the repression of the *Great Unwashed* is in full flight, in the UK and Germany in particular, which tempts a public explosion at some point as the natives are restless and no longer easily appeased (or suppressed)
- ✗ The combination of sleaze by public officials and critical metals policy (particularly Rare Earths & Tungsten) could lead to a public backlash against resource nationalism being seen as self-rewarding by elites
- ✗ The Milei Administration in Argentina was dealt a severe blow by the stubborn defence of a compromised minister that eventually fell for his misdeeds

Risk Premium Turns to Discount in Precious Metals

Buy on the rumour, sell on the news is one of the oldest adages around and in retrospect many are seeing the retreat (indeed, massacre) in gold & silver post February 28th in this light. However, one didn't have the impression in the great bull run of the precious metals from 4Q25 until the war that the metals were being sought as a safe haven.

The view of the gold and silver bugs was that the long awaited "Great Recognition" was upon us and that the intrinsic merits were finally being given their long overdue reward. The fact that much of the silver action seemed to be very technically driven... or more accurately logistically-driven with arcane melting and remelting of bars in Switzerland, London and New York was known by the insiders while the *Great Unwashed* instead thought it was silver's final vindication. It reminded us more of the old theory of an economy that operated solely on the economic participants taken in each other's laundry.

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The chart that follows shows the fal from grace after flirting with 44 to one with gold.

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Source: Goldprice.org

The War on Iran was never a certainty and when it came it brought grief, not joy, to those that fancied gold as a safe haven. To make matters worse it seemed that the role of the UAE as the launderette of choice for the sleazy set was over “for the duration, if not forever. This was then compounded by the besieged Gulf monarchies having to toss gold reserves (and much else) overboard to stay fiscally afloat.

The prospect that there might be a return to an upward path now that the war was “over” has also proven to be a chimaera and the slide goes on. Just as flirting with \$5,000 per ounce was something we were forced to contemplate in late 2025, now only six months later, flirting with \$4,000 is a much less attractive prospect for gold watchers. We can only imagine how much money has been lost in this Bonfire of the Vanities.

The laws of gravity may be at play but also the more prosaic shrinkage of precious metal ETFs and the funds in stablecoins could be at work. It’s hard to think of an impetus for gold to go higher beyond a collapse of the USD, but then in that context only land might be worth having. Time will tell.

In the meantime, the whole precious metal end of the mining complex is looking like the walking wounded. Fundings are still occurring, but the canary in the coal (gold?) mine might be some failed bought deals or IPOs that could really provide the wake-up calls for gold bugs.

Milei’s Argentina – Viva La Casta

When presidential candidate, Javier Milei railed against La Casta (the caste or ruling elites) he struck a chord with the Argentine electorate particularly the young. The perceived interweaving of powerful economic groupings, sleazy politicians on the make and the circle of hangers-on and expeditors has long been a source of frustration for the public, particularly the brazenness with which these people operate.

Milei rode to power largely on this revulsion and frustration. His economic policies and most particularly their Austrian school underpinnings were largely a mystery to the public.

Milei fired up his metaphorical chainsaw from Day One and has brought stability to the currency and most particularly put the public accounts in order and in some versions has eliminated the fiscal deficit. It was the bureaucratic equivalent of the *Shower Scene* from Psycho.

Milei, politically, dwells in what Argentines would cruelly call a “*nube de pedos*” while the backroom axe-wielder is the sister, Karina, who reigns supreme at the Casa Rosada, while her brother dwells on a higher intellectual plane.

Then there is the matter of the allegations swarming around Manuel Adorni, the (now departed) head of cabinet of the Presidency. The scandal centered on allegations of illicit enrichment and unexplained wealth. Investigations into his finances revealed massive discrepancies between his official public salary and his actual spending.

Prosecutors highlighted that his credit card spending alone reached roughly 85 million pesos in 2025, which significantly exceeded his gross public salary of 3.5 million pesos per month. While investigators

found that Adorni and his wife, Bettina Angeletti, purchased properties that they initially failed to include in official asset declarations. This included a home renovation in the Indio Cuá private gated community that a contractor testified cost \$245,000 paid entirely in cash.

Questions were raised regarding several lavish, undeclared international trips, including luxury travel on private flights. Adorni initially refused to explain his sudden lifestyle upgrade but later admitted in a television interview that he and his wife concealed \$500,000 in off-the-books savings. He claimed this was the outcome of a \$200,000 investment in Bitcoin in 2014. We suspect this excuse will become popular one in years to come, somewhat like “we had a good day at the casino”.

Ironically, Adorni headed the anti-corruption campaign of the Milei administration. Yet, despite the mounting evidence "Manuel is innocent," Milei told local media in Spain during his visit there in mid-June. "I stand by my ministers to the bitter end."

And a bitter end it was too, as the controversy ultimately led to Adorni's resignation from his position on the 27th of June.

Milei seems to be with finger on the economic pulse and not much else. A handful of scandals now surround the regime and most of them pertain to the circle of the president's sister. The one *faux pas* that implicated the President (ironically also a crypto scam) seems not to have stuck, but one wonders how much he actually knew what was going on there, beyond thinking he was involved in a photo opportunity. However, one can play the *naif* only so many times.

Strontium – Heard on the Street

Two enquiries about this element made us prick up our ears. All we really knew about it was it was the only mineral that Spain dominates the production of. With our intrigue rising we wondered whether this had something to do with military applications. This is the fallback rationale for any offbeat enquiry these days.

Strontium is a critical strategic mineral for the military, primarily used to manufacture pyrotechnics such as signal flares and tracer ammunition. In pyrotechnics, strontium nitrate and strontium carbonate produce the deep red colour in flares, fireworks, and signal devices. These compounds offer excellent colour purity and combustion stability, making them indispensable in both civilian fireworks and military-grade pyrotechnics, such as aerial flares and tracer ammunition.

It is also highly valued for advanced structural alloys, and its radioactive isotope is utilized in nuclear micro-generators to provide decades of continuous power for remote equipment.

Notably, the European Commission (EC) in 2020 declared strontium a critical raw material due to its economic importance and risk of supply.

Could some of these be source of the chatter or is there some new application of which we do not know?

Coming back to basics, Strontium is a chemical element with the symbol Sr and atomic number 38. An alkaline earth metal, it is a soft silver-white yellowish metallic element that is highly chemically reactive. The metal forms a dark oxide layer when it is exposed to air. Strontium is an abundant element, ranking as the 15th most common element in the Earth's crust.

Strontium has physical and chemical properties similar to those of its two vertical neighbors in the periodic table, calcium and barium. It occurs naturally mainly in the minerals celestine and strontianite and is mostly mined from these.

The usage history of the element is bizarre indeed ranging from its early application, during the 19th century, when it was mostly used in the production of sugar from sugar beets (known as the strontian process). At the peak of production of television cathode-ray tubes, as much as 75% of strontium consumption in the United States was used for the faceplate glass. With the replacement of cathode-ray tubes with other display methods, consumption of strontium dramatically declined.

According to the Mineral Commodity Summary for 2024 of the USGS, the major producers of strontium as celestine (SrSO_4) as of January 2024 was Spain (200,000 t), Iran (200,000 t), China (80,000 t), Mexico (35,000 t); and Argentina (700 t). The Spanish deposits are at Monteive near Granada (once again an example of Andalucía's major ongoing role in mining in Spain. Química del Estroncio S.A. operates Spain's premier processing facility in Cartagena, turning celestite into high-quality strontium carbonate and nitrate. Additionally, Kandelium operates the world's largest raw material celestite refining plant in Escúzar, Spain.

Although strontium deposits occur widely in the United States, they have not been mined since 1959.

Despite this, the US Department of War awarded rocket propellant manufacturer Estes Energetics US\$13mn to produce domestically a range of strontium-based oxidisers for military applications.

Maybe the chatter represents some pre-marketing of potential strontium stories by the promotorial classes. We did come across as least one ASX-listed entity that was touting the wares of a strontium deposit in the Western US. Fasten your seatbelts.

Model Resources Portfolio Changes

We made no changes to the Model Resources Portfolio during the month of June.

Hogtied & Tethered?

We were trawling through deluges of corporate news emails when one from a constituent of the Model Resources Portfolio caught our eye. On the 18th of June 2026, Elemental Royalty (NASDAQ: ELE, TSX: ELE) announced a quarterly dividend of US\$0.03 per common share (aggregating to US\$0.12 for FY26).



The twist here was an alternative that we had previously not heard of in that, under its Dividend Election Alternative duly qualified registered holders of Common Shares may elect to receive cash dividends otherwise payable to them, net of applicable of expenses and withholding taxes, delivered “in kind” in Tether Gold XAUₜ tokens.

It would be interesting to see how much take up there is of this irresistible offer.

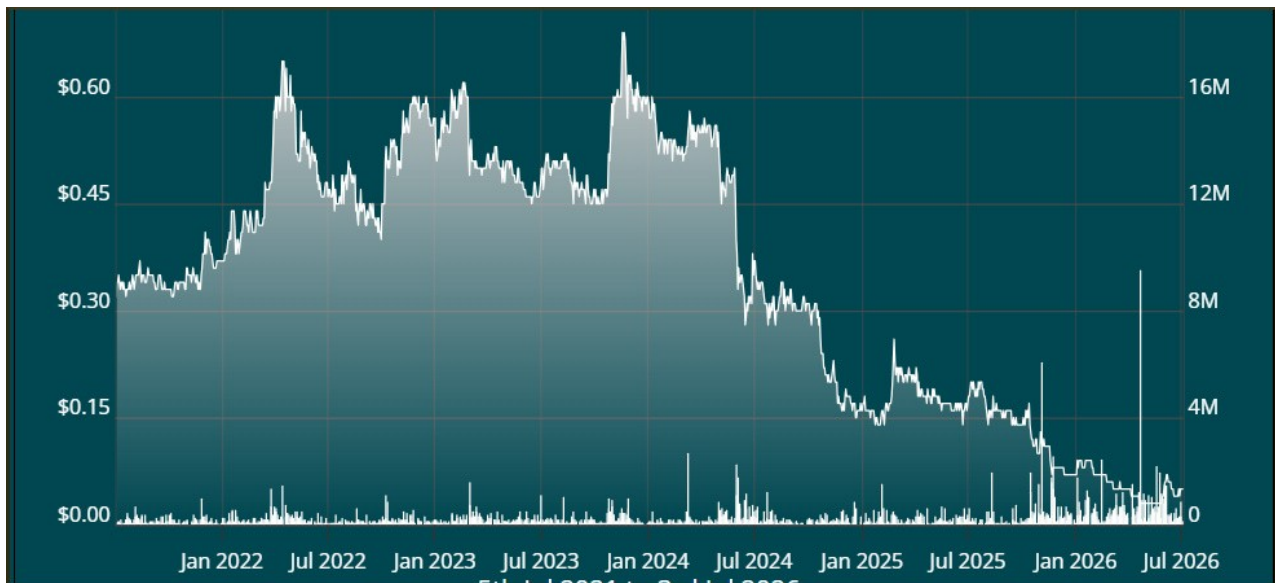
It seems that Tether have the cow tied up ready for milking in some way or another. It is like McDonalds buying Saks Fifth Avenue so it can set up a branch on the main cosmetics floor.

We shall see if this is the start of a trend or just a case of “trying it on”.

Sheffield Resources (ASX: SFX) – Out of the Valley of Death

The good news alternates with the holding pattern news at Sheffield Resources these days. Operationally it keeps getting better but the travails of rejigging its debt go on and on. A few months back its Chinese partners bought out the debt held by Orion and that produced a major sign of relief. While the stock rebounded it was coming off a base so low it was derisory. We had a lunch with management a few weeks back and we were in accord with the wait and see attitude.

Though it may not look like it, seen up close there is a blip of recovery at the very end of the chart below:



To put it simply, all the debt is in friendly and committed hands. Yansteel the Chinese partner in KMS is also the 100% offtaker. However, it cannot foreclose (and say, force a debt conversion) as the FIRB would not allow a Chinese company to own 100% of the Kimberley Mineral Sands (KMS)-owned Thunderbird Mineral Sands Mine in Western Australia. Neither would the Chinese benefit from sabotaging their own preferred supply source.

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The strategy now is to await the Titanium price to get out of its swoon which it has suffered since the pandemic and the collapse of the Chinese residential building bubble, where surprisingly the paint used is a/the major price driver of TiO₂.

On the operational front it gave an update in recent days on the Thunderbird Mineral Sands Mine. It was encouraging to hear that the improvement in ore mining production and product recoveries seen in May were sustained in June.

Ore mined in June was over 1.05mn tonnes with approximately 63,000 tonnes of ilmenite concentrate and approximately 16,900 tonnes of zircon concentrate produced.

When added to previous reported volumes this gave a preliminary performance for the June quarter of 2026 showing ore mining totalled approximately 2.8 million tonnes mined. Ilmenite concentrate and zircon concentrate production were approximately 160,000 tonnes and 43,000 tonnes for the same quarter.

Total concentrate shipments for the June 2025 quarter were approximately 189,000 tonnes, comprising approximately 115,000 tonnes of ilmenite concentrate, approximately 29,000 tonnes of zircon concentrate and approximately 45,000 tonnes of HiTi concentrate.

It should be noted that one shipment of co-loaded ilmenite and zircon concentrate was delayed from 2H June into 1H July due to ship availability.

So, in the absence of a financially-led, or product price-led recovery, the company is going back to basics for a volume- and efficiency-led recovery. With the market cap at derisory levels, for what is an exemplary mineral sands project, the shares are somewhat of a bet on the Chinese not going for mutually assured destruction. Thus, for the foreseeable future this remains one of the most speculative names in the **LONG** portion of our Model Resources Portfolio.

Parting Shot

Ahhh, inflation! It was only a few years ago that the pundits were claiming it was ten years from go to whoa on a mining project (from discovery to production), then it was 12 years and now it is claimed to be 18 years. What a load of codswallop this is! Are they talking of Goro or Ambatovy or Oyu Tolgoi? There are lots of projects that we know that are in production within 4-6 years of "discovery" (or rediscovery).

There is a subtext to all this that it is government, environmental regulators (or First Nations) wot done it.... However, we would more likely point to management as first culprits, then capital markets then metals prices.

"Events, dear boy" are what British PM, Harold MacMillan, used to explain away things that get in the way of the best laid plans. We saw most Rare Earth projects die the death in 2012 and not show a pulse

again until 2020 or later. Would we ascribe this to regulators? No way... It certainly added eight years of nothing happening to timelines. Then Lithium went off the boil in 2010, briefly rose from the dead in 2017 and did not recover traction until 2021. Even the almighty gold spent most of the period from 2012 to 2020 in the doldrums, hamstringing even many robust projects due to the capital markets not being there to finance them no matter if they still looked good in times of flat gold. Silver did not regain its momentum for the best part of a decade and capital markets were not disposed to throw out any lifelines to the “poor man’s gold”.

A good example is Midas Gold, later Perpetua Resources, which was originally viewed as a leper until adopted by a feisty hedge fund and even then suffered from market disinterest. Antimony was in the doghouse from 2014 to 2021 and frankly had not even been on Midas’s management lips even at its previous highs. Then it (Antimony) rode to the rescue and pushed the stock into Washington’s line of sight and went soaring, but..... still nothing. This mine could have been producing Antimony several years ago if they had reopened the old adits or constructed new ones. Instead, management held out for their grand plan open pit which was all about gold and nothing about Antimony. Sorry, the EPA can’t carry the can for this one.

But then there is management, particularly in the Canadian model which is the explorers moving to “blushing debutante at the dance status” once they have a resource and management morphing into go-slow mode, even if they have funds, because they really want a buyer, not wanting to have to move into the development phase themselves. To justify their keep during this “Awaiting Godot” phase they produce updated resources and then updated PEAs and anything to not actually get a move on. Would one blame this bloated timeline on First Nations or the province of British Columbia? We wouldn’t, instead we would target lifestylers doing what they do.

Mining capital markets are riven with faddism. The Lithium rebound of 2017 lost momentum in the blink of an eye when a Wall Street firm said there would be massive oversupply (which wasn’t likely then but is likely now). Rare Earths were a case of love them, then hate them. The cock crowed thrice and all the bankers denied they had ever been interested in Molycorp. Even gold has the “Street” loving explorers sometimes, developers in other moments but really only favouring producers most of the time. And yet it is the producers who largely don’t need the money and are not part of this timeline issue.

We do not see regulators as the first line of stick-in-the-muds slowing down projects and these ridiculous timeline estimates are just used to “panic the horses” and chivvy up the prospects of those projects somewhere near the end of the development timeline. Has no one ever thought that saying projects will take 18 years to get to fruition is like the best reason ever to not buy a junior explorer? Asking for a friend...

Recent & Upcoming

In the last month we published an update on First Phosphate, a review of the Rio Colorado Potash project in Argentina and our Growth Minerals Review for June.

In the pipeline we have an initiation on Chilean Cobalt, an Initiation on D3 Energy and another on unconventional Lithium player, LibertyStream. There will shortly be our Growth Minerals Review for July.

One might also expect an update on the state of play in Argentina, an Initiation on Talisker Resources and a Niobium Review.

MODEL RESOURCES PORTFOLIO @ END JUNE							
Security	Ticker	Currency	Price	Change		12-mth Target	
				last 12 mths	last mth		
LONG EQUITIES							
Diversified Large/Mid-Cap	Hochschild	HOC.L	GBP	4.67	85%	-24%	£2.80
	Nittetsu Mining	1515:TYO	JPY	2319	56%	-3%	¥2,320.00
Base Metal Developers	Denarius Metals	DNRSF	USD	0.44	26%	-27%	\$1.15
Diversified Miners	Neometals	NMT.ax	AUD	0.02	-73%	-33%	\$0.150
Uranium	Sprott Physical Uranium	U.UN.to	CAD	18.37	-1%	-7%	\$20.00
	enCore Energy	EU.v	CAD	1.85	-52%	-15%	\$4.90
	Energy Fuels	UUUU	USD	14.5	152%	-20%	\$7.50
Zinc/Lead Plays	WisdomTree Zinc ETF	ZINC.L	USD	12.18	36%	1%	\$14.00
	Group Eleven Resources	ZNG.v	CAD	0.8	142%	-25%	\$0.35
	Luca Mining	LUCA.v	CAD	0.97	-27%	-24%	\$1.40
Silver Developer	Excellon Resources	EXN.v	CAD	0.35	13%	-27%	\$0.95
Gold Producer	Soma Gold	SOMA.v	CAD	0.69	-46%	-27%	\$1.10
	Asante Gold	ASE.v	CAD	0.79	-48%	-25%	\$2.40
	Orvana Minerals	ORV.to	CAD	0.8	51%	-59%	\$0.60
	Talisker Resources	TSK.to	CAD	1.61	243%	16%	\$1.10
Gold Developer	West Wits Mining	WWI.ax	AUD	0.41	1852%	-23%	\$0.024
	Thesis Gold	TAU.v	CAD	0.41	-62%	-88%	\$1.32
	Scottie Resources	SCOT.v	CAD	2.91	223%	24%	\$2.25
Niobium	Saint George Mining	SGQ.ax	AUD	0.094	154%	-22%	\$0.15
Fund/Holding	Queens Road Capital	QRC.to	CAD	13.25	85%	-7%	\$19.00
Royalties	Elemental Royalties	ELE.to	CAD	24.86	n/a	1%	\$25.00

MODEL RESOURCES PORTFOLIO @ END JUNE

Security	Ticker	Currency	Price	Change		12-mth Target	
				last 12 mths	last mth		
LONG EQUITIES							
Copper Explorers	Panoro Minerals	PML.v	CAD	1.54	191%	16%	\$0.85
	Aldebaran Resources	ALDE.v	CAD	2.62	12%	-17%	\$2.50
	Arras Minerals	ARK.v	CAD	1.87	103%	108%	\$1.30
	Copper Giant	CGNT.v	CAD	0.72	213%	0%	\$0.70
Copper/Nickel Developer	NexMetals	NEXM.v	CAD	3.38	-73%	-14%	\$3.82
Tungsten Producer	Almonty Industries	AII.to	CAD	23.46	215%	-14%	\$8.10
Tungsten Developer	Guardian Metal Resources	GMET.L	GBP	2.02	267%	-16%	£0.88
Graphite Developer	Blencowe Resources	BRES.L	GBP	0.07	75%	-22%	£0.09
Lithium	Century Lithium	LCE.v	CAD	0.27	-7%	-13%	\$1.10
Gold Explorer	Alpha Exploration	ALEX.v	CAD	0.57	-19%	-3%	\$1.00
AgroMinerals	MinBos	MNB.ax	AUD	0.07	40%	-13%	\$0.09
	Brazil Potash	GRO	USD	0.22	-84%	-12%	\$7.30
Rare Earths	Rainbow Rare Earths	RBW.L	GBP	0.215	95%	-14%	£0.30
Tin	Elementos	ELT.ax	AUD	0.37	270%	-3%	\$0.25
	Stellar Resources	SRZ.ax	AUD	0.03	58%	-25%	\$0.06
Mineral Sands	Sheffield Resources	SFX.ax	AUD	0.05	-69%	25%	\$0.28
Oil & Gas	Shell	SHEL.L	EURO	29.33	15%	-6%	£28.00
SHORT EQUITIES							
Shorts	Golconda Gold	GG.v	CAD	2.18	257%	-18%	\$0.15
	Niocorp	NB	USD	4.75	99%	-18%	\$3.50
	Patriot Battery Metals	PMET.to	CAD	5.81	138%	-18%	\$1.60
	USA Rare Earth	USAR	USD	21.58	97%	-23%	\$3.00
	Aya Gold & Silver	AYA	CAD	26.86	119%	-7%	\$7.20

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