Friday, August 7, 2026

HALLGARTEN + COMPANY

Portfolio Strategy

Editor: Christopher Ecclestone
cecclestone@hallgartenco.com

Analyst: Joshua Mayfield
jmayfield@hallgartenco.com

Monthly Resources Review:

Antimony - Whiplashed by War

Performance Review – July 2026

Friday, August 7, 2026

Monthly Resources Review

Antimony - Whiplashed by War

- + **Gold and silver upticked from their mid-year lows**
- + **More and more informed observers are regarding the Russia/Ukraine War as entering the endgame phase**
- + **Tin continued to hold near record levels**
- + **Despite the failed ceasefire in the Iran War, it appears that the increasingly weak situation of the US & Israel will force an end to the conflict**
- + **The US midterm elections look likely to unleash investigations into some of the more unsustainable or unjustifiable mining "investments" by the Trump Administration**
- + **Any enquiries are likely to eliminate some of the more unsustainable ventures particularly in the Rare Earth space**
- ✕ **The Iran War drags on with the Gulf economies gradually being ground into the dirt**
- ✕ **The 2Q26 results of MP Materials continue to show losses despite being propped up with US government funds**
- ✕ **Antimony has plunged in price as the fire-retardant end users (65% of the market) instituted a "can´t pay, won´t pay" policy**
- ✕ **Western economies stagger under the weight of higher fuel prices and inflationary tendencies, cooking consumers, even as official stats state "inflation is low"**
- ✕ **Ebola continues to wreak havoc in the northeast of the DRC**

Antimony – Victim of its Own Price Surge

The rain (of munitions) on Ukraine falls mainly on the plain. But very little has to do with the conflict in Iran and this is producing confusion in the ranks of promoters and their followers. We cannot say we are devastated, as those of us who wanted to see revived Antimony production outside China and regularization of the enormous artisanal component were not helped by the invasion of carpetbaggers seeking to mine the markets rather than mine the metal.

Antimony awoke from its price slumber in 2020 at the beginning of the Pandemic (though the connection between the two was tenuous). Despite the price surge that took the metal from around US$6000 per tonne to nearly $60,000 per tonne, we can safely say that nary a teacup more Antimony has been produced in the West despite this uplift. Indeed the biggest non-Chinese producer, Mandalay (not Kirkland Lake) saw its production shrivel by two thirds verily as panic spread about the dependence of Western militaries on Chinese product.

The rest is history, the arm-wavers invaded the space and it appeared more like an ABBA revival concert than a serious attempt to boost non-Chinese production. The clown car of US Antimony (UAMY) did a couple of circuits of the arena showering the the crowd with their plastic squirty flowers before retreating into the wilderness redoubt where they could claim production with little contesting by real Antimony sector players.

The price of Antimony has now plunged as the two main conflicts have not delivered on the "promise" of eternal sunshine and demand (and hyper-pricing). Instead of the "next-stop" $100,000 they got $23,000. This is a great price for anyone with decent grade and low production costs, but disastrous for those touting "high-grade" Antimony at 1%. They are now deservedly laughed off the stage.

The Military Thesis

We have seen a far-fetched claim that Antimony has been a military metal "since ancient times" and this is patently ridiculous. The element was employed for millennia in glass production, makeup and in some medicinal potions. If its main military application is in bullets then how can it have been used in Europe before gunpowder arrived from China in the Renaissance? The reality is that it began to used as an alloy to harden lead in bullets/shot from the 16th or 17th centuries. After that time its demand and price fluctuated with wars and conflict.

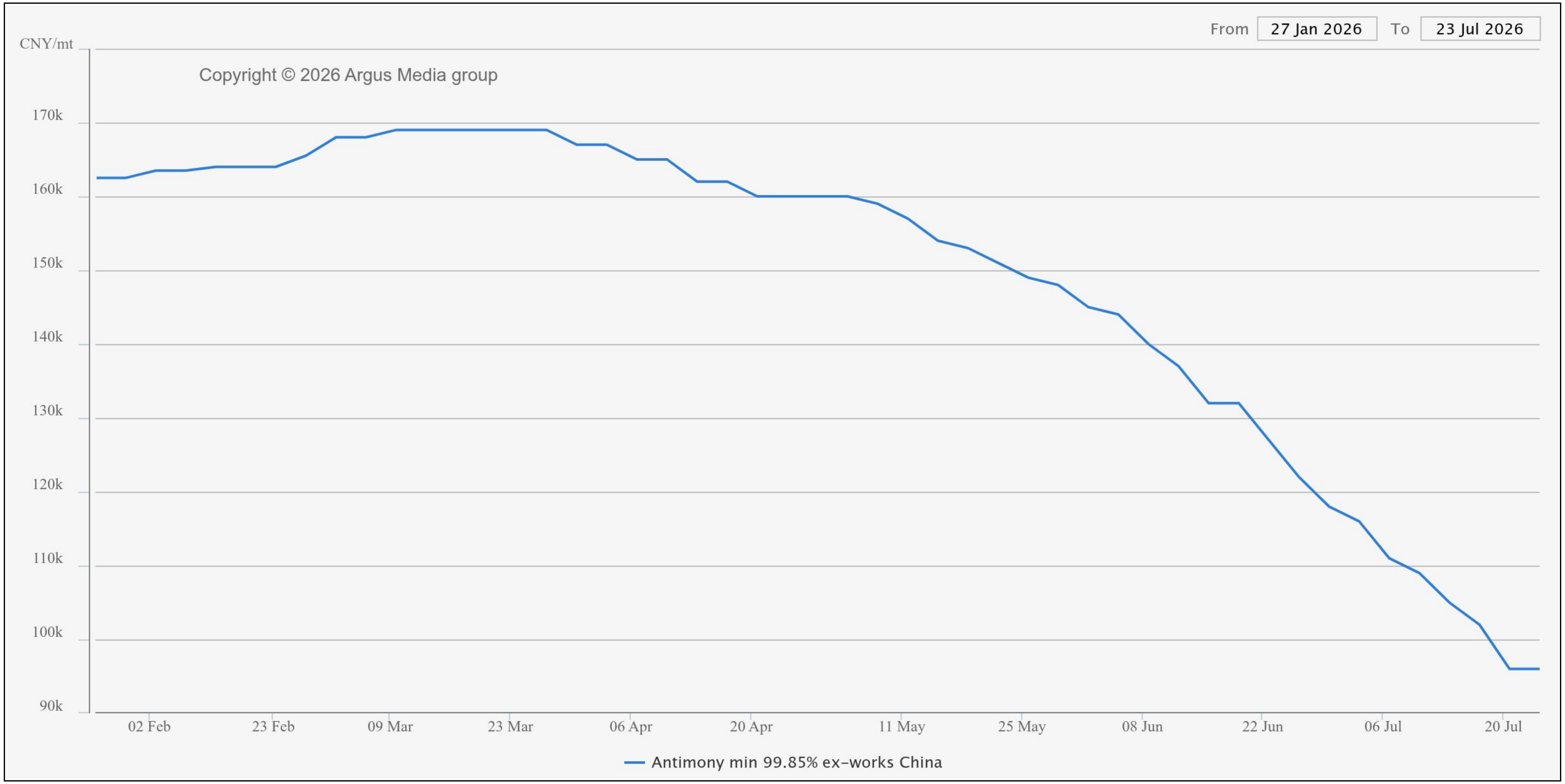
Historically, Antimony demand and price only really came into the spotlight during war time, WW1, WW2 and the Korean War. The Vietnam War did not have much noticeable effect.

Gravity & Antimony Pricing

After 30 years of price suppression (read predatory pricing) by the Chinese from the early 1980s the price was unleashed by the Chinese in 2013 producing a dramatic spike, and then the inevitable plunge. Long term industrial users, particularly in the fire-retardant industry (a sector that had evolved since the 1960s) went into a state of shock & awe and furiously thrifted the percentage of Antimony Trioxide (SbO_3) that they employed in their products, demand fell, and the price of Antimony plunged from over $14,000 per tonne back to under $6,000. There it malingered until the start of the pandemic when it bounced back to around $13,000.

The factors that juiced up the price were twofold. The Chinese had long maintained their position (and a stiff upper lip), despite falling internal mine production, by propping up their processing dominance by harvesting product from artisanal miners in the Global South. Then the concurrence of concerns about Chinese dominance of this key military metal combined with the wars in the Ukraine and Gaza and the Western rearmament putsch to create a perfect storm. The Chinese poured gasoline on the fire by declaring the element to be dual use (following its declarations of the same in Tungsten, Gallium and Germanium) prompting what was effectively an export ban and the rest is history.

The price of Antimony soared, topping US$60,000 per tonne but has now, according to our sources in the price reporting industry, tumbled down to $20,000 per tonne. The chart that follows which Argus Metals sent out to us in an alert shows the price in Yuan. It paints a chastening picture.



Source: Argus Metals

As we have noted before the Iran War has not involved any identifiable antimony whatsoever. To our knowledge it is not employed in drones of missiles. So essentially that conflict has had zero effect on Antimony demand. The Israeli incursion into Lebanon is probably the biggest consumer on Sb in the Middle East at the current time.

The Ukraine War has been a major consumer with the Russians burning through all the product from the new circuit at Polyus´s Olimpiada mine, that was originally destined for export markets but never got there due to the onset of the war. Meanwhile from the European and US sides (arming the Ukrainian effort) the Antimony has come from burning through stockpiles of munitions rather than scouring the global markets (where the cupboard is bare due to the Chinese dual-use export ban).

The real problem is that the fire-retardant producers are the main market for SbO_3 and they were sitting on their hands as the Antimony market peaked, as they could not sell their products with the chief input being so expensive. And that in a nutshell is why Antimony has plunged. To this we might add that the Chinese do not want to see this group lost as customers in the long term. Antimony became a bifurcated market. Fire-retardants customers NOT being classified as dual-use.

Charitably, we refer to US Antimony as the woolly mammoth of the Antimony space, but it is more like the clowncar circling the circus ring with its motley crew tooting their *vuvuzuelas* and mooning the investor community.

The company has a very novel definition of mining. In its release of August 5th, it listed "Active Alaska mining operations" none of which actually involved mining, and reading on, didn't even seem to involve exploration. When is mining not mining? Answer, when it doesn't involve producing anything.

This company remains an **AVOID** in our opinion.

Last Month´s Portfolio Moves

We removed E3 Lithium as a **LONG** from the Model Resources Portfolio. In its place we added LibertyStream Infrastructure, a Texas-based developer of petrobrines. We shall shortly be launching coverage of this stock.

Alphamin (AFM:TSXV, APH:JSE AltX) ´Fesses Up

This company that we once loved has rather blotted its copybook in recent times with its tendency to think that shareholders should be treated like mushrooms, kept in the dark and fed BS. This first became apparent during the rebel surge by the forces of MS23 where the company felt no one needed to know until the exchange in Toronto actually forced them to make a statement. Lo and behold, the mine site was abandoned by the FIFO employees, rebels were, literally, at the gates and the mine was on care & maintenance (though "besieged" might have been more appropriate wording).

The company has still not said how it is shipping out product since production resumed. Our suspicion has been that it goes thru rebel areas with a "toll" being paid. But then again shipping practices have long been subject to a form of omertà.

We have been waiting since late last year for word on the effect of the rampaging Ebola virus in the northeast of the DRC (with the spread being closely correlated with the rebels, who are scarcely paragons of health & safety protocols). The last major outbreak was 2018-2019 and then the company was quite solicitous of keeping the market informed, however with production (and a huge market capitalisation) at stake, caginess is now the watchword.

Finally, though, on July 13, 2026 in a production update the company mentioned the E-word in its release. This then covers the posterior should it actually become rampant in the zone and close down production. They will say "we warned you…", even if it was really very *sotto voce*.

The release provided an update for the quarter ended June 30 of 2026 including:

- Record EBITDA, guidance of US$167m, up 6% from the prior quarter
- Tin production of 5,013 tonnes and 5,014 tonnes of Tin sold

Contained tin production of 5,013 tonnes for the quarter ended June 2026 was in line with the target guidance of 20,000 tonnes per annum and that of the previous period. Tin sales were roughly the same.

Interestingly, processing recoveries dipped 2% from 74.2% in 1Q26, to 72.8% in 2Q26. The metal sulphides in the current mining area are above average levels, and this resulted in excessive near gravity material interfering with the efficiency of the gravity circuit. The company had installed fines circuits at both processing complexes so these recoveries are somewhat surprising to the outside viewer but not to us as the company admitted that it was sending a lot of material to the tails because it was not running through the circuit again (as we reported in our mine trip note) due to dependence on expensive diesel. To which we responded that the company should build a small hydro facility, which it clearly did not want to invest in. The previous owner group and current group quite clearly do not want to invest to improve recoveries and are thus undershooting potential at a time of record tin prices.

The company estimated that EBITDA for 2Q26 at a record US$167mn (up from 1Q26´s US$158mn). The EBITDA variance compared to the prior quarter is attributable to a 5% increase in the tin price, from a US$49,278 average in 1Q26, to US$51,957 average in 2Q26 (the current price is ~US$53,000).

Guidance for AISC per tonne of tin sold in 2Q26 is estimated at US$19,043, giving a $34K margin. The AISC was up 6% from the previous quarter of US$17,968 due to a combination of off-mine costs in the form of increased royalties, export duties, marketing commissions and net smelter returns, which increase as tin price increases, and timing on capital expenditure. On-mine operating costs increased largely as a result of higher fuel prices impacting diesel and transport costs.

As for the rebels the comments were rather on the blithe side: “The regional security situation remains largely unchanged and operations continue as normal”. The unchanged situation is that Goma, the capital of South Kivu, where the company has/had its offices, which we visited in 2024, is still under MS23 control. Whistling past the graveyard…

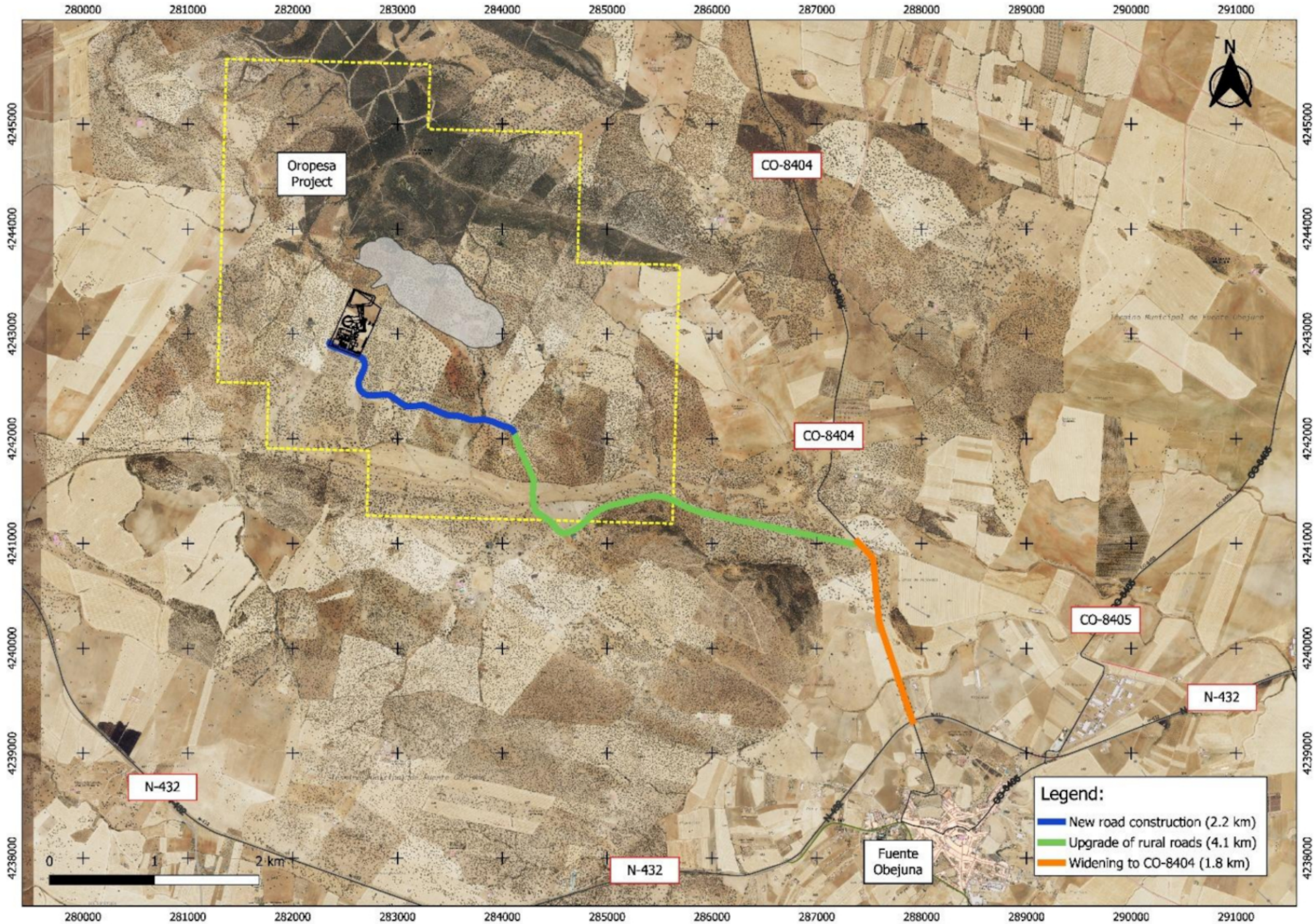
The release states “In 2Q26 an Ebola outbreak was declared in the Ituri province of Northeastern DRC. Whilst several cases have been reported in North Kivu, there have been none to date in the Walikale health zone, where the mine operates. The company has implemented enhanced hygiene and screening protocols and expects operations to continue uninterrupted”. No mention at all of the trucking routes out of the mine to the Ugandan border. Who knows whether Goma is still a factor in accessing and administration of the mine. Don’t ask, don’t tell is seemingly the corporate motto.

The controlling group may have changed from Denham to a UAE corporate grouping but *la plus ça change*. Both groups want to milk the company´s cashflow to the max, particularly considering the dire situation back in the motherland of the UAE.

Our rating remains **NEUTRAL** until the company decides to be more open with investors on its operations.

Elementos (ASX: ELT) – Rubber Hits the Road

During the month past the company announced that it had received formal approval from the Provincial Council of Córdoba for the upgrade of sections of the public road network and the construction and improvement of the dedicated site access road to the Oropesa project in Andalucía, Spain.


Oropesa Project
CO-8404
CO-8404
CO-8405
N-432
N-432
N-432
Fuente Obejuna
Legend:
New road construction (2.2 km)
Upgrade of rural roads (4.1 km)
Widening to CO-8404 (1.8 km)
0
1
2 km
N
280000
281000
282000
283000
284000
285000
286000
287000
288000
289000
290000
291000
4245000
4244000
4243000
4242000
4241000
4240000
4239000
4238000

The approval covers 8.1 kms of critical road access infrastructure and represents the first of a series of key permitting and regulatory milestones for Oropesa. The approval further de-risks the project and supports its advancement through permitting, financing and development activities toward a Final Investment Decision.

We can attest to the importance of this for two reasons after our site visit in May which we wrote up here. Firstly, the current farm track that leads to site runs across where the pit will eventually be sited (the light grey blob on the map on the preceding page). Secondly, despite the flattish nature of the landscape the current route, once off the paved section of public road, took nearly half an hour to traverse despite being a short distance. This was clearly not fit for purpose. The plans also involve construction of slip roads to the junction/roundabout with the main road as traffic will start rising steadily from now on out.

The approval follows ongoing engagement with the Junta de Andalucía and builds on recent regulatory advances, including the grant of a Declaration of Overriding Public Interest and Oropesa's inclusion within the Andalusian Government's Project Accelerator Unit.

We maintain our **LONG** rating on ELE with a raised twelve-month target price of 65 cents.

EuroManganese (TSX-V and ASX: EMN; Frankfurt: E060) – Dealing With Debt

On the 10th of July 2026, Euro Manganese, a former **SHORT** position in our Model Resources Portfolio announced that it had amended its facility with Orion OMRF (BK) LLC, which is managed by the Orion Resource Partners Group.

The latest deal amended its financing facility with Orion Resource Partners, converting US$23.5mn million in outstanding debt and accrued interest into a royalty structure. The evocatively named “Third Amended and Restated Convertible Loan and Royalty Agreement”, dated July 9, 2026, provided for the automatic conversion of the outstanding loan and accrued interest into a royalty on the Chvaletice manganese project upon satisfaction of a fundraising condition by a date acceptable to Orion. The name of the deal itself shows just how many times this company has skated on thin financial ice.

The conversion will fully discharge EMN’s repayment obligation for the outstanding loan amount, “simplifying the balance sheet and improving financing flexibility”. It removes time-based milestones contained in previous versions of the CLRA.

This latest deal cancels the second loan tranche in the Second Amended and Restated CLRA and the Second Amended and Restated Royalty Agreement, both dated May 20 2025, as amended

The royalty has increased to 2.29-2.46% of project revenues following conversion and will be calculated quarterly using a sliding scale linked to achieved prices for the project’s high-purity manganese products.

This was a **SHORT** position in our Model Resources Portfolio until recently when it was removed due to outstanding performance (to the downside). It is now an **AVOID**.

Parting Shot

Wars scarcely ever reach their end and things revert to as they were before. This should be looked at in the context of the latest frightening statistic that the Ukraine War has now dragged on longer than the First World War. Some prefer to sideline it in their thoughts and regard it as a "distant place of which we know little". Then there is Iran which might be viewed as a war that has lasted decades, rather than days, and for much of that period was "war fought by other means" (diplomacy not being one of them). Now it has gone from Cold War to Hot War and has become a Tar Baby to which the US president is totally stuck. It may be distant and for many "something of which we know little" but it is ever present and its denouement will not leave things "back as they were".

Napoleonic Wars: (end of French imperial ambitions in Europe)
Franco Prussian War: (eclipse of France by Germany)
Boer War: (defeat of the British empire by a ragtag farmer army)
First World War; (destruction of German, Austrian, Russian and Ottoman empires and financial wounding of the British empire)
Second World War: (definitive end of German and Japanese militarism, beginning of final dismantling of British empire)
Korean War: (China fights US to a standstill only a couple of years into its revolutionary existence)

Vietnam War: (beginning of the end of US military ascendence with losses to a 3rd world nation)
Afghan War(s): (Beginning of end of Soviet empire and defeat of US and its Western allies)
Gulf Wars: (Pyrrhic victories for US/West that then deteriorated into chaos)
Ukraine War: (Russians fought to a halt by a corrupt Ukraine, with both sides
Iran War: (US eclipse is exposed and defeat at the hands of a

These are the high-level geopolitical impacts of these wars. This essentially means we should look out for political & power realignments when the Iran War and Ukraine Wars eventually reach their conclusions. However, the effects of wars are also in their economic legacies. World War II left us with dollar dominance, the jet age and the nuclear power industry. The various Israel conflicts of the late 1960s and 70s gave us the oil (price) shocks, the primacy of OPEC and the rise of Middle Eastern nations as enormously wealthy fiefdoms. The Ukraine War, even before it was much advanced and certainly before its conclusion have given us drone warfare and sunk half the Russian navy without even engaging in a battle. The drone ascendancy has carried over into and been magnified by the Iran War. New weaponry paradigms are being set in a way that the very extended and bloody Vietnam War did not.

The new political landscape potentially makes the US, post-Iran, look as relevant as the UK post-WW2. The big lesson for European, Asian and indeed Pacific nations is that the US is an unreliable supplier of munitions and unreliable as an ally. Much of the munitions, and kit, that was sold by the US since 1945 was done on the basis of compatibility for joint operations. In a world of *sauve qui peut*, who needs or wants to be dependent upon the US military-industrial complex?

What of this for metals and minerals? WW2 as an all-out war was the high point of consumption of EVERYTHING for the total war effort and minerals were scoured from wherever to make one side or other victorious. With shriveled navies, the absence of vast hordes of panzers crossing the steppes and missiles and drones being the remote-control weaponry *du jour* there is certainly a demand for critical metals but nowhere near the levels of even the Korean War.

And then we might well ask what happens when the white flags are waved? How soon before we hear the siren-song of those well-exercised words from 1989-90, the “peace dividend”? Will the White House and Pentagon procurements offices shrink back to the days when they were a broom closet at the most distant points from the people in power?

Ask oneself the question if Rare Earths did not have applications in wind turbines and EVs, but ONLY in night vision googles and a few military knickknacks, would there be anything like the need being posited for these NOT RARE elements? Dare we say it, but a couple of mid-sized REE mines could keep the US and European military-industrial complexes in as much of the REEs as they might possibly need.

Wars come and wars go but the metals & minerals winners may not be what one thinks or is told to think.

Recent & Upcoming

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

In the pipeline we have Initiations on D3 Energy (helium & natgas in South Africa), Chilean Cobalt (cobalt copper and Rare Earths in Chile, Quantum Critical Metals (Rubidium, Gallium et al in Quebec and silver in BC), LibertyStream Infrastructure (petrobrines) and Emerita Resources (base metals in Spain).

We also have a review of our recent stay in Argentina.

One might also expect an Initiation on Talisker Resources and a Niobium Review in the near future.

MODEL RESOURCES PORTFOLIO @ END JULY

	Security	Ticker	Currency	Price	Change last 12 mths	Change last mth	12-mth Target
LONG EQUITIES							
Diversified Large/Mid-Cap	Hochschild	HOC.L	GBP	4.31	54%	-8%	£2.80
	Nittetsu Mining	1515:TYO	JPY	3025	102%	30%	¥2,320.00
Base Metal Developers	Denarius Metals	DNRSF	USD	0.34	-3%	-23%	$1.15
Diversified Miners	Neometals	NMT.ax	AUD	0.02	-68%	0%	$0.150
Uranium	Sprott Physical Uranium	U.UN.to	CAD	18.1	12%	-1%	$20.00
	enCore Energy	EU.v	CAD	1.52	-58%	-18%	$4.90
	Energy Fuels	UUUU	USD	11.44	26%	-21%	$7.50
Zinc/Lead Plays	WisdomTree Zinc ETF	ZINC.L	USD	12.53	39%	3%	$14.00
	Group Eleven Resources	ZNG.v	CAD	0.79	147%	-1%	$0.35
	Luca Mining	LUCA.v	CAD	0.81	-51%	-16%	$1.40
Silver Developer	Excellon Resources	EXN.v	CAD	0.30	11%	-14%	$0.95
Gold Producer	Soma Gold	SOMA.v	CAD	0.70	-39%	1%	$1.10
	Asante Gold	ASE.v	CAD	0.71	-56%	-10%	$2.40
	Orvana Minerals	ORV.to	CAD	1.88	242%	135%	$0.60
	Talisker Resources	TSK.to	CAD	1.13	122%	-30%	$1.10
Gold Developer	West Wits Mining	WWI.ax	AUD	0.37	1750%	-10%	$0.024
	Thesis Gold	TAU.v	CAD	2.80	180%	-11%	$1.32
	Scottie Resources	SCOT.v	CAD	2.81	168%	-3%	$2.25
Niobium	Saint George Mining	SGQ.ax	AUD	0.076	105%	-19%	$0.15
Helium	D3 Energy	D3E.ax	AUD	0.36	7%	9%	$1.10
Fund/Holding	Queens Road Capital	QRC.to	CAD	14.00	96%	6%	$19.00
Royalties	Elemental Royalties	ELE.to	CAD	21.84	n/a	-12%	$25.00

MODEL RESOURCES PORTFOLIO @ END JULY

	Security	Ticker	Currency	Price	Change last 12 mths	Change last mth	12-mth Target
LONG EQUITIES							
Copper Explorers	Panoro Minerals	PML.v	CAD	1.55	237%	1%	$0.85
	Aldebaran Resources	ALDE.v	CAD	2.82	32%	8%	$2.50
	Arras Minerals	ARK.v	CAD	1.49	52%	-20%	$1.30
	Copper Giant	CGNT.v	CAD	0.75	355%	4%	$0.70
Copper/Nickel Developer	NexMetals	NEXM.v	CAD	3.02	-59%	-11%	$3.82
Tungsten Producer	Almonty Industries	AII.to	CAD	15.51	206%	-34%	$8.10
Tungsten Developer	Guardian Metal Resources	GMET.L	GBP	1.43	151%	-29%	£0.88
Graphite Developer	Blencowe Resources	BRES.L	GBP	0.07	40%	0%	£0.09
Lithium	Century Lithium	LCE.v	CAD	0.27	-4%	0%	$1.10
	LibertyStream	LIB.v	CAD	0.79	251%	-21%	n/a
Gold Explorer	Alpha Exploration	ALEX.v	CAD	0.51	-22%	-11%	$1.00
AgroMinerals	MinBos	MNB.ax	AUD	0.07	0%	0%	$0.09
	Brazil Potash	GRO	USD	2.04	24%	827%	$7.30
Rare Earths	Rainbow Rare Earths	RBW.L	GBP	0.22	57%	2%	£0.30
Tin	Elementos	ELT.ax	AUD	0.35	169%	-5%	$0.25
	Stellar Resources	SRZ.ax	AUD	0.37	118%	16%	$0.06
Mineral Sands	Sheffield Resources	SFX.ax	AUD	0.05	-69%	0%	$0.28
Oil & Gas	Shell	SHEL.L	EURO	33.84	25%	15%	£28.00
SHORT EQUITIES							
Shorts	Golconda Gold	GG.v	CAD	2.20	201%	1%	$0.15
	Niocorp	NB	USD	4.25	28%	-11%	$3.50
	Patriot Battery Metals	PMET.to	CAD	4.09	8%	-30%	$1.60
	USA Rare Earth	USAR	USD	14.95	18%	-31%	$3.00
	Aya Gold & Silver	AYA	CAD	27.54	133%	3%	$7.20

Important disclosures

I, Christopher Ecclestone, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

Hallgarten's Equity Research rating system consists of LONG, SHORT and NEUTRAL recommendations. LONG suggests capital appreciation to our target price during the next twelve months, while SHORT suggests capital depreciation to our target price during the next twelve months. NEUTRAL denotes a stock that is not likely to provide outstanding performance in either direction during the next twelve months, or it is a stock that we do not wish to place a rating on at the present time. Information contained herein is based on sources that we believe to be reliable, but we do not guarantee their accuracy. Prices and opinions concerning the composition of market sectors included in this report reflect the judgments of this date and are subject to change without notice. This report is for information purposes only and is not intended as an offer to sell or as a solicitation to buy securities.

Hallgarten & Company or persons associated with it do have exposure to Sheffield Resources, Copper Giant, Millennial Potash and Shell.

Hallgarten & Company or persons associated do not own securities of any other securities described herein and may not make purchases or sales within one month, before or after, the publication of this report.

Hallgarten & Company acts as, or has acted as in the last twelve months, a strategic consultant to Almonty Industries, Guardian Metal Resources, E3 Lithium & Sheffield Resources and as such is or has been compensated for those services, but does not hold any stock in those companies, nor has the right to hold any stock in the future.

Web access at:

Research: www.hallgartenco.com