

HALLGARTEN + COMPANY

Portfolio Strategy

Editor: Christopher Ecclestone
cecclestone@hallgartenco.com

Analyst: Joshua Mayfield
jmayfield@hallgartenco.com

Monthly Resources Review:
In the Trump End-Times

Performance Review – October 2026

Monthly Resources Review

In the Trump End-Times

- ＋ **The day of reckoning has arrived for the distortive critical metals' boondoggles of the US government (and others) which is, perversely, a positive**
- ＋ **Sloppy gold prices may be a further catalyst for an M&A boom in gold and silver stocks**
- ＋ **The US midterm elections have been the catalyst for a "go big or go home" moment**
- ＋ **Populists continue to confound elites across the West but the 1% (particularly in the EU) are proving resistant**
- × **Critical metals may very well be collateral damage of the investigations related to the Big Grift**
- × **Gold is suffering from a sell-off emanating from the Middle East as cash-strapped Gulf States are throwing overboard everything that is not nailed down**
- × **Tin, the last holdout as everything went down has finally joined the trend**
- × **Higher oil prices are crushing economies and causing not just the cost-of-living crisis but now spilling over into interest rates**
- × **Property prices will be next shoe to drop**
- × **Ebola continues to wreak havoc in the northeast of the DRC with over 10,000 cases and a 50% fatality rate**

The Shocking Half-Life of a Critical Metals "Boom"

We have banged this drum before, but such is the convergence these days of *La La Land* with the critical metals space that we have been reduced to the status of the boy who cried "Wolf!". We therefore repeat again that the furore over critical (read strategic) minerals verily may not outlive the wounded beast of the Trump Administration by much or, if it does, it will be much diminished and much more soberly considered. If the Great Grift is intimately entwined with the Critical Minerals siren song, then the **Long Con** will become a **Short Con** as the Grifter-in-Chief comes to political grief. So, eat, drink and be merry because tomorrow you will all be back to base metals again.

The distant rumbling, that is becoming increasingly louder in the mining space, is the tumbrils on the move to carry the guilty (and maybe the innocent) to their date with the bureaucratic guillotine. The now t riumphant opposition in the US having gained control of the legislative levers of powers have reputedly already prepared 800 subpoenas ready to blast off. From the chatter doing the rounds, the deals in the minerals & metals space are going to be prime candidates for reexamination. As we in the space know there were the headline grabbing deals and then there were the small grants (almost

donations) being giving by the DoW, and its agencies, to a wide swathe of genuine juniors in targeted metals of "importance". It's the Big Beasts though that the Democrats are going after but to do so a comprehensive list of "who got what" will be required to then sort out the *bad 'uns* from the mere side bets.

The chart of US Rare Earth (singular) shows the grim reaper well at work:



It is, however, inevitable that if shade is thrown on the critical metals space the whole push towards reviving US self-reliance (or at least security of supply) will come into question and the ripple effect will spread out to the farther corners of the global mining space.

Verily as the shutters were coming down on the *ancien regime*, some grifters were trying to get their Tungsten deal in Kazakhstan through the watertight doors on the Titanic before they slammed shut and took them down to the bottom of the Atlantic. Will we see the Gutnicks decamp from Brooklyn back to North Caulfield?

In what remains of the Trump Administration, it will be very hard for the DoW to do deals, no matter how small, because so many in the Administration are running scared. Everything will be under the magnifying glass.

Some had wondered how the critical metals surge since 2010 (and with added force since 2020) might end. They are about to find out.

Strontium – Spain on Top

There is a small sub-sector of the critical metals/minerals space which is those metals where the West is totally **unreliant** upon China. These sometimes figure erroneously in the Criticality lists doing the rounds due to their authors knowing nothing or some mistaken belief that places like Brazil are not in the Western camp. Some of these elements are Niobium (overwhelmingly dominated by Brazil & Quebec), Beryllium (dominated by the US but slipping due to gross negligence) and Strontium, an oft-ignored element that is dominated by Spain. The less said of Cesium the better…. Totally dominated by Canada (yet owned by a US company) ten years ago, through even greater gross negligence by Washington allowed it to flip to total Chinese dominance. Sigh….



Bizarrely, the first big application for Strontium (several hundred years ago) was in the production of sugar from sugar beet. In the 20th Century, the usage consuming ~75% of production, the primary use for strontium was in glass for colour television cathode-ray tubes, where it prevented X-ray emission. This application for strontium went into precipitate decline from the 1990s because CRTs were being replaced by other display methods. This decline has a significant influence on the mining and refining of strontium. Other uses such as glow in the dark toys, toothpaste and (the red colour) in fireworks scarcely move the needle. The latter is only 5% of demand. There are some pharmaceutical usages and it goes into some ferrite magnets. And yet it is a very strong market in terms of tonnes produced.

According to the *Mineral Commodity Summaries, 2024* of the U.S. Geological Survey, the major producers of Strontium as celestine as of January 2024 were Spain (200,000 tonnes), Iran (200,000 tonnes), China (80,000 tonnes), Mexico (35,000 tonnes); and Argentina (700 tonnes). Although strontium deposits occur widely in the United States, they have not been mined since 1959.

It is in the EU and Japanese criticality lists and it made the initial US lists, but then was removed.

Something about the sheer tonnage intrigues us and makes us suspect that Strontium has uses we are not hearing about. In any case, Spain has a very strong position in an element that may be up to more than meets the eye.

Fluorspar – Targeting the AIM?

It's a long while since we last wrote on Fluorspar. Indeed, it was well over ten years ago and our main focus then was a stock called Canada Fluorspar, with its large fluorspar project in St. Lawrence in Newfoundland. This involved the reactivation of past-producing underground fluorspar mines, expansion of an existing mill, construction of a new tailings management facility and a new deep-water marine terminal in the outer St. Lawrence Harbour for the export of a fluorspar concentrate product. The project was anticipated to produce between 120,000 and 136,000 tonnes of fluorspar filtercake concentrate per year. Reports differ (as the company is no longer public) but it appears to have come into production and passed through a variety of iterations along the way.

In a recent interview with Lyndsay Malchuk, after cycling through a variety of critical metals in our commentary, at the very end she inquired as to elements to watch out for. Not having (much of) a promotorial agenda we cited boron and fluorspar which briefly flustered our interviewer, as no-one on the show had ever mentioned these two massive industrial minerals that are so important in expediting so many more industrial processes than the man in the street imagines.

The West has long been undertaking a slow retreat from this space with mines progressively shuttering as the usual story was repeated of Chinese predatory pricing. We recall well over fifteen years ago visiting the former NJ Zinc site in Ogdensburg, NJ which was shuttered in 1986, as the lights went out in US mining of so many important inputs. That it is now a museum says it all about US mining outside the southwest these days. The mine only operated for 247 years… Say no more.

We had been under the impression that Western production is now dominated by Mexico, followed by South Africa, but still with an overwhelmingly Chinese dominance. We knew of the sad tale of the closure of the UK's once substantial mines (owned by Rio Tinto) in County Durham in the 1980s. We didn't imagine much was left in Europe; however, we were recently surprised to hear that a party, with which we are close, had just acquired the Europe's largest producing fluorspar mine, which is in Andalucía (who knew?) and that the asset is on a fast track to a London listing. Then immediately afterwards some Italian geos we know informed us that fluorspar mining was imminently starting up again in Sardinia.

It's too early for us to say much more about these (and another asset we know of in the former Comecon bloc) but hope springs eternal that fluorspar will be yet another element clawed back from Chinese control.

Last Month´s Portfolio Moves

We removed Group Eleven (ZNG.V), the Canadian-listed copper explorer in central Ireland, from the **LONG** segment of the Model Resources Portfolio. We met them at the Gentile conference in London during the past month. Much as we like the assets we can't help but note the excessive market capitalisation of Group Eleven (CAD$190mn, half of its peak level of the last 12-months) for a company still spinning its wheels in eternal drilling. We might have been able to justify that level if the company is moving towards development/production, though it was patently clear that they are waiting for a buyer (most likely Glencore), when Glencore has its own more advanced assets in Ireland and is sitting on its hands. So nothing to see here, move on.

Spain Heats Up – Pan Global Goes to the (Government) Well

The Iberian Peninsula is becoming something of a happy hunting ground for Canadian listed juniors. Our radar screen picked up signs of life at Pan Global Resources (TSX-V: PGZ | OTCQB: PGZFF | FRA: 2EU) and we were even more surprised to see that they had been pursuing the same project since 2018 but at such a low-key level that we are reminded of the old comment about who sees a tree when it falls in the forest.

We wonder if the Spanish government, in throwing the company a grant, realised that the company had been around so long and yet does not seem to be on the road to production? Madrid needs someone to wise them up on the reality of junior promoters.

The company´s stated aim is exploring for copper-rich mineral deposits along with gold and other metals, through its flagship Escacena Project, which hosts the La Romana and Cañada Honda copper-tin-gold mineral resources, in the prolific Iberian Pyrite Belt in southern Spain. The Escacena Project covers 14,753-hectares with, to date, two deposits having been discovered at Escacena North and the highly prospective Escacena South property hosting more than a dozen geophysical targets for investigation. Testing of the highest priority targets at Escacena South will commence as soon as the required permits are received. In the vicinity, immediate neighbours include the Aznalcóllar and Los Frailes projects being developed by Grupo México, and is 12km to the west of Resource Capital Fund's Cobre Las Cruces Mine. Atalaya's operating Riotinto Mine is 23km to the northwest.

In early October, the company announced that its wholly-owned Spanish subsidiary, Minera Sabina SLU, had been awarded a non-repayable grant of €250,000 (approx. C AD$400,000) from the General Directorate for Energy Policy and Mining, within the Spanish Ministry for Ecological Transition and the Demographic Challenge. The funding will be used to accelerate exploration of the Escacena Project. We always wonder though what is the definition of the word "accelerate" in Canada particularly when a project is as long in the tooth as this one.

The company celebrated the deal with the government as the €250,000 providing immediate, non-dilutive capital directly allocated to ground exploration at the Escacena Project. Funding will specifically support upcoming work, including cartography, soil sampling, geophysical surveys and diamond drilling, scheduled to begin immediately. With the project having been around so long, they are only just starting to undertake cartography? Hmmmm.

The company sees the grant selection as a validation of its property and strategy, and underlines the economic potential and strategic importance of the Escacena Project to the regional economy

The area is highly prospective, but we wonder whether the company is committed to production or not. The current market cap is CAD$63mn and we have afforded it a **NEUTRAL** rating for the time being.

Krait Critical (CSE: KRIT | FSE: UOS) -A New Antimony Name to Conjure With

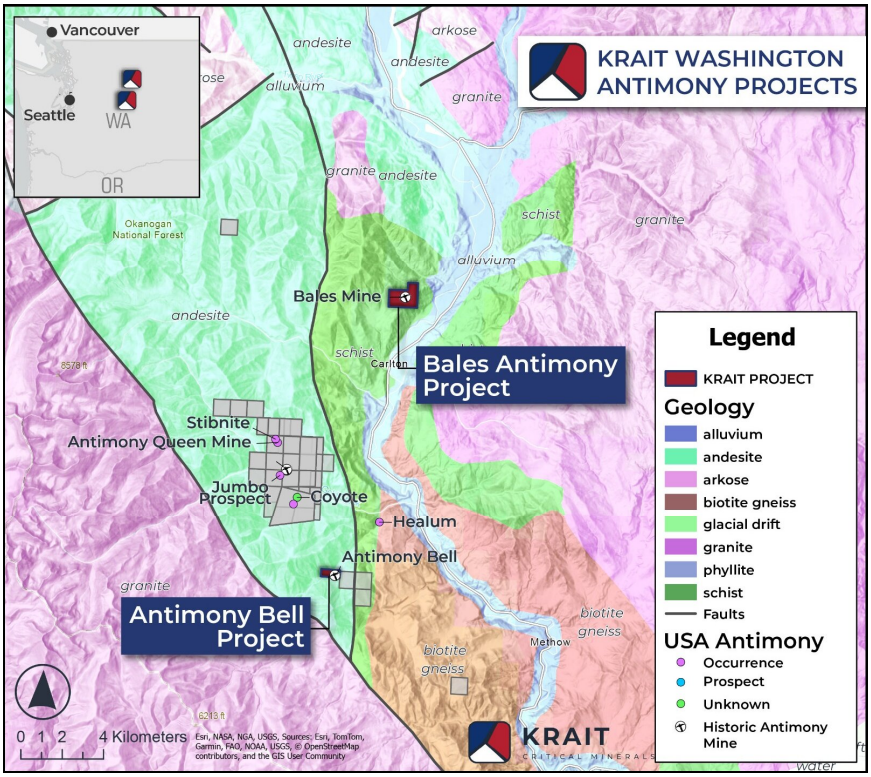
Our recent Antimony Sector Review tried to be all embracing but the proliferation of names and the imperfect coverage of the space makes our coverage imperfect as well. Though we try.

The Bales Antimony Project lies on the southeast-facing slopes of the Methow Valley in the Northern Cascade Mountains. The wider district hosts numerous documented antimony occurrences and historic workings, reflecting a broader structurally controlled antimony-mineralized corridor.

The property is approximately one mile north of the historic Antimony Bell occurrence. Together, the two sites demonstrate multiple stibnite-bearing structures in the Carlton-Gold Creek area and provide a

geological basis for evaluating the ground between and around the known workings.

An antimony mine located 2 miles NE of Carlton that worked veins to 2' wide in altered and silicified zones up to 7' wide in diorite, greenstone, and argillite. It produced ore in 1951-52 and features surface trenching, crosscut with 120' drift and stope and a 110' adit.



The company only closed its acquisition of the asset in recent weeks. This gives it the advantage of not having bought at the top and indeed wandering into the Antimony space when it is well -past its prime. We would not be surprised to see Antimony itself continue to trade in the US$17,000 to US$25,000 range for the rest of this year.

Until we know more about the strategy here, we shall afford Krait a **NEUTRAL** rating and look forward to hearing more on the mine reboot, something that so many of the other Antimony wannabes have singularly failed to enunciate to the marketplace.

Parting Shot

There will probably be groans as Hallgarten goes on the attack against government largesse to mining companies and its misguided nature. In the US the task (in theory) is relatively simple as there was so little domestic mining of critical metals left, that talent spotting essentially meant having to farther afield in many cases to find suitable targets to contract with and dole out financial encouragement. This didn't stop the largesse being directed towards the "only" domestic players as we saw with MP Materials (with its Mountain Pass mine, essentially a Rare Earth mine without Heavies) that had bigness

going for it at least and Perpetua, a gold mine dressed up as a low-grade Antimony mine. Then there were the other two more flimsy beneficiaries, US Antimony with the magic word in the name and not much else and USA Rare Earth (singular) with its Gutnick et al. connections.

The challenge for Australia and Canada is not lack of choice but a surfeit. Indeed, there is something like a Solomonic choice (or sometimes akin to Sophie's Choice) required as both countries have hundreds and hundreds of mining wannabes making claims to have one or more of the constituents of the many Criticality Lists doing the rounds. All would love to sup at the trough in Canberra or Ottawa but there is precious little swill to go around. Those in the decision-making seats seem thus far to be out of their depths in assessing which of the projects stand the best chance of succeeding and moreover have the balance between the capex, opex and potential return that makes a project optimal. Canada has largely decided not to decide as its like a bird has returned to its next and found 200 eager mouths to feed rather than the three mouths it left in the morning. In Canberra the anointment of Arafura Resources seems to be pandering to Washington rather any innately Australian project. ARU's Nolan's Bore sometime uranium/sometime REE project seems to have corralled most of the money that is going to critical metals/minerals downunder, to the exclusion of many others in the REE (and adjacent spaces) that one might say are more right sized.

We must remind investors of the fundamental truism that Australian industry (or what is left of it) uses little, to no, Rare Earths. If Rare Earths cease to be a thing in five years from now, will Washington step in to prop up Nolan's Bore or will it be forever an albatross circling the Australian taxpayers. There are other countries with REE deposits (e.g. Brazil) and yet those countries are not rushing in to support a putative new industry that doesn't feeds into local supply chains or even meet any domestic defense needs. What is the need/motivation for Australia to do so?

Recent & Upcoming

In the last month we published a commentary on Argentina's RIGI and proposed SuperRigi. We put out a mine trip note to Almonty´s Los Santos mine in Spain (and the plans there). We published an update on Goldsky (the former First Nordic). We also issued an Antimony Sector Review. Then there was the Growth Minerals Review for October.

In the first days of November, we have published a review of the Nordic Mines conference in Stockholm and have a Swedish Nuclear & Uranium review out this week. There is also a Brazilian fertiliser sector review.

In the upcoming category we have Initiations on LibertyStream Infrastructure (petrobrines) and Emerita Resources (base metals in Spain). Also, in the works is a Helium Sector Review. We also are turning our beady eye on Verde Agritech, a fallen star of the Brazilian fertiliser space, with a company specific note.

MODEL RESOURCES PORTFOLIO @ END OCTOBER

	Security	Ticker	Currency	Price	Change last 12 mths	Change last mth	12-mth Target
LONG EQUITIES							
Diversified Large/Mid-Cap	Hochschild	HOC.L	GBP	4.28	29%	-18%	£2.80
	Nittetsu Mining	1515:TYO	JPY	2718	63%	-16%	¥2,320.00
Base Metal Developers	Denarius Metals	DNRSF	USD	0.36	-8%	-10%	$1.15
Diversified Miners	Neometals	NMT.ax	AUD	0.03	20%	0%	$0.150
Uranium	Sprott Physical Uranium	U.UN.to	CAD	19.41	-2%	4%	$20.00
	enCore Energy	EU.v	CAD	0.98	-77%	-34%	$4.90
	Energy Fuels	UUUU	USD	7.71	-62%	-30%	$7.50
Zinc/Lead Plays	WisdomTree Zinc ETF	ZINC.L	USD	13.38	31%	4%	$14.00
	Luca Mining	LUCA.v	CAD	0.94	-33%	-15%	$2.00
Silver Developer	Excellon Resources	EXN.v	CAD	0.24	-14%	-29%	$0.95
Gold Producer	Soma Gold	SOMA.v	CAD	0.50	-62%	-29%	$1.10
	Asante Gold	ASE.v	CAD	0.62	-70%	-21%	$2.40
	Orvana Minerals	ORV.to	CAD	1.53	13%	-33%	$0.60
	Talisker Resources	TSK.to	CAD	0.78	-48%	-26%	$1.10
	West Wits Mining	WWI.ax	AUD	0.32	540%	-18%	$0.84
Gold Developer	Thesis Gold	TAU.v	CAD	2.23	25%	-30%	$1.32
	Scottie Resources	SCOT.v	CAD	2.15	25%	-21%	$2.25
Niobium	Saint George Mining	SGQ.ax	AUD	0.05	-52%	-17%	$0.15
Helium	D3 Energy	D3E.ax	AUD	0.23	-29%	-8%	$1.10
Fund/Holding	Queens Road Capital	QRC.to	CAD	13.48	52%	-5%	$19.00
Royalties	Elemental Royalties	ELE.to	CAD	20.26	-4%	-26%	$25.00

MODEL RESOURCES PORTFOLIO @ END OCTOBER

	Security	Ticker	Currency	Price	Change last 12 mths	Change last mth	12-mth Target
LONG EQUITIES							
Copper Explorers	Panoro Minerals	PML.v	CAD	1.26	215%	-22%	$0.85
	Aldebaran Resources	ALDE.v	CAD	3.31	-13%	22%	$2.50
	Centauri Minerals	CENT.v	CAD	0.98	N/A	-30%	n/a
	Arras Minerals	ARK.v	CAD	0.98	14%	-30%	$1.30
	Copper Giant	CGNT.v	CAD	0.87	200%	-26%	$0.70
Copper/Nickel Developer	NexMetals	NEXM.v	CAD	1.83	-66%	-30%	$3.82
Tungsten Producer	Almonty Industries	ALM	USD	8.70	22%	-34%	$8.10
Tungsten Developer	Guardian Metal Resources	GMET.L	GBP	0.79	-23%	-44%	£0.88
Graphite Developer	Blencowe Resources	BRES.L	GBP	0.06	-14%	0%	£0.09
Lithium	Century Lithium	LCE.v	CAD	0.21	-28%	-22%	$1.10
	LibertyStream	LIB.v	CAD	0.65	23%	-31%	n/a
Gold Explorer	Alpha Exploration	ALEX.v	CAD	0.32	-38%	-16%	$1.00
AgroMinerals	MinBos	MNB.ax	AUD	0.07	0%	-13%	$0.09
	Brazil Potash	GRO	USD	1.70	-18%	-23%	$7.30
Rare Earths	Rainbow Rare Earths	RBW.L	GBP	0.20	0%	-17%	£0.30
Tin	Elementos	ELT.ax	AUD	0.34	0%	-36%	$0.25
	Stellar Resources	SRZ.ax	AUD	0.30	1100%	-25%	$0.06
Mineral Sands	Sheffield Resources	SFX.ax	AUD	0.04	-60%	0%	$0.28
Oil & Gas	Shell	SHEL.L	EURO	40.22	41%	14%	£28.00
SHORT EQUITIES							
Shorts	Golconda Gold	GG.v	CAD	2.98	59%	-1%	$0.15
	Niocorp	NB	USD	3.34	-44%	-7%	$3.50
	Patriot Battery Metals	PMET.to	CAD	3.11	-18%	-27%	$1.60
	USA Rare Earth	USAR	USD	9.62	-51%	-32%	$3.00

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