

FGR's US acquisition is all about accelerating opportunities

Donald Trump showed that he can match it with the best junior mining promoters with the announcement of an MoU to provide some respite from the Iran War. An MoU is used to suggest a deal is in place, sort of. Typically, an MoU is not binding, but it is one of the best promotional tools available. It is designed to suggest things are happening, even if not yet complete.

Here, Trump was unable to secure a deal. He capitulated on this objective because discussions were proving ineffective and the closest he could get to a deal was to salvage an MoU. There are now 60 days when we pretend that things are back to normal while the long term future is still being negotiated. But, things are not really back to normal yet. There is still the wild card of Israel's attacks in Lebanon and these could still derail the process.

Notwithstanding the MoU, only a few ships have started trickling through alternative northern and southern routes in the Straits of Hormuz. The central channel remains choked by an estimated 80 sea mines. Major maritime operators are exercising extreme caution, and commercial traffic remains way below normal levels.

Markets reacted positively in anticipation of the announcement last week but they took a step backwards when it was disclosed as only an MoU. There is still uncertainty with which the markets are having to deal. The gold price recovered somewhat, but it was easing at the end of the week.

Graphene Commentary

First Graphene has advanced while others failed

About to 10-15 years ago graphene was all the rage. Share prices were sky rocketing at the potential of this new nano-material that had many amazing properties. It was going to change the World! So what happened.

Back then the promoters were selling the sizzle, not the sausage. Almost all companies from that time have gone broke. They were not able to deliver commercial success. They never advanced beyond the arm waving and the aspirational. A rare exception was First Graphene (FGR), an early mover that chose to specialise in making high quality, bulk graphene for use in industry rather than sensationalising any particular widget that was improved with the addition of graphene.

FGR was never a runaway stock market success. It did well but its shares never reached the astronomical highs of other companies. That was very much by design. FGR could see the hurdles and pitfalls in developing a new product and it was not willing to egg on unsophisticated investors. I suppose that was a good thing ... wasn't it? The end result is that FGR has not failed, like so many others.

FGR has continued to improve its PureGraph over the years. Production costs have been reduced by more than 50%. An expanded range of graphene products have been developed in various sizes and qualities, all with the end

user in mind. With each year the company has become more intensely qualified to meet the buyers' requirements both in costs and functionality.

The Next Generation of Graphene Companies

We have recently seen a revival of the sector, led by North American companies with excellent promotion but not necessarily with operational merit. Many companies claim to be making graphene when it is really just micronised graphite.

One company that is recycling technology which proved a challenge in the past, has reached C\$1Bn in market capitalisation. Maybe it can overcome the issues experienced by previous owners of the technology. In the interim, the huge premium on the share price opens up corporate options that may underwrite its survivability.

There is much more money chasing North American technology companies than we can ever expect to see in Australia. Graphene is a case in point. How can First Graphene join the party? Perhaps the announcement last week is a good start.

The buzz words are defence, drones and data centres. ... and SpaceX.

Modern warfare has been changing with the stunning success of drone technology as shown by Ukraine. We have seen the share price of many companies surging in the market because they have some relevance to defence (especially the US DoD). Just the nexus is enough to get them going.

Perovskites solar cells are showing themselves to be very good sources of light weight power when fixed to drones. Longevity of life is not important here. Weight and low costs are the key advantages. First Graphene is an important player here as Hallocell, the private Australian company, has reduced the cost of production of perovskites cells quite dramatically with the use of First Graphene's products.

Another driver the of market has been the increasing buzz around AI and new data centres that are needed to handle the expanding workload. We mentioned high purity alumina a couple of weeks ago and its role in enabling greater productivity of semi-conductor computer chips. That increased intensity of data processing leads to greater waste heat generation that needs to be removed. One way of removing the heat is by developing coolants with graphene, probably the most thermally conductive material available. Research is continuing on that front, but within six months we will start to see some answers.

These technological changes lead us to the most fantastic (in a good way) developments with the prospect of Elon Musk backing data centres in space. While these may seem to be horribly expensive, cost has never worried Musk. Key selling points are the real estate in space is free, solar power is more readily available and temperatures are

low, meaning less cooling is needed. Space is where perovskite solar cells are expected to excel.

Of all graphene companies out there, First Graphene is one of the best placed companies to participate in the revival of interest in the sector on the basis of drones and possibly coolants, but there's the challenge of getting into the fast lane to attract more attention. Maybe the Mito deal will help.

Mito Material Solutions deal in the USA

Last week First Graphene announced the completion of its acquisition of MITO Material Solutions, obtaining its intellectual property, manufacturing equipment, product lines, and related assets, significantly expanding its presence in the U.S. market. The acquisition adds four established graphene-based product lines covering thermosets, thermoplastics, composites, coatings, resins, liquids, and nanomaterial additives. MITO's CEO, Haley Marie Keith, will join First Graphene as Vice President of Business Development, leading U.S. operations and supporting commercial growth.

Strategically, the acquisition strengthens First Graphene's capabilities in graphene oxide and functionalised nanomaterials, which management believes could open opportunities in high-value sectors such as defence, aerospace, advanced composites, and advanced manufacturing.

The initiative gives improved access to the US markets, much more so than trying to service these from Perth. FGR will be able to lever off the existing business as opposed to starting a new business and growing it organically.

The Bottom Line

Graphene has a great future but stock markets and investors are generally naive on the subject. That provides an opportunity for promoters to tell exaggerated stories about their capabilities and to pump share prices. Maybe that is okay if you just want share market hype, but in the long run, deliverability is what counts.

So far it has been a classic example of almost all graphene companies overpromising and underdelivering. This has been because graphene is an evolving new frontier as much as anything, and it takes time. Demand for graphene has not been a light bulb moment as the qualification period has been lengthy. Nevertheless, doors have been opening.

The areas of demand for perovskite solar cells, data centre cooling and a range of defence industry applications are all promising an exciting future in addition to a wide range of other uses. Bringing FGR's capabilities to the attention of US industry and investors would seem like a smart move. It opens the door to exciting growth opportunities.

Footnote: Over the last three months FGR has added six new customers to its client base;

1. a carbon fibre application in the oil and gas sector,
2. four in the clothing and textile industries and
3. one footwear company.

The list will keep growing.

Disclosure: Interests associated with the author own shares in First Graphene and he is a director



Sentiment Oscillator: There was a slight improvement in sentiment as at Tuesday evening. There were 29% (28%) of shares under coverage in uptrend, and 50% (51%) in downtrend.

Detailed Chart Comments

NB. Only the bold comments have been updated. Comments in grey type are from previous weeks and will be less relevant. Please note that this list is a cross section of the market. It IS NOT a list of recommendations.

Indices	Code	Trend Comment	
All Ordinaries	XAO	breached downtrend	
Metals and Mining	XMM	new high then a correction	
Energy	XEJ	still above trend line	
Stocks	Code	Trend Comment (updated comments in bold)	Main Interest
Aguia Resources	AGR	bouncing from lows	phosphate, gold
Akora	AKO	down	iron ore
Alkane Resources	ALK	correcting lower	gold
Alicanto Minerals	AQI	recovering uptrend	base metals, silver, gold
Alligator Energy	AGE	testing downtrend	uranium
Alpha HPA	A4N	rising	HPA
American Rare Earths	ARR	breaching uptrend	rare earths
American Tungsten & Antimony	AT4	resumed downtrend	antimon
Anax Metals	ANX	recovering uptrend	copper
Andean Silver	ASL	breached uptrend	silver
AnteoTech	ADO	heavy correction	batteries
Arafura Resources	ARU	shallower uptrend	rare earths
Ardea Resources	ARL	testing support line	nickel
Ark Mines	AHK	down	rare earths
Astral Resources	AAR	down	gold
Aureka	AKA	weaker	gold exploration
Auric Mining	AWJ	sideways	gold
Aurora Energy Metals	1AE	down	uranium
Aurelia Metals	AMI	improving	copper + base metals
Aurum Resources	AUE	correcting lower	gold exploration
Australian Gold and Copper	AGC	down	base metals, silver, gold
Australian Rare Earths	AR3	collapse through support	rare earths
Australian Strategic Materials	ASM	stil in downtrend	rare earths
BHP	BHP	back in uptrend	diversified, iron ore
Ballard Mining	BM1	testing short term downtrend	gold
Ballymore Resources	BMR	down	gold exploration
Barton Gold	BGD	downtrend	gold exploration
Beach Energy	BPT	sideways	oil and gas
Beetaloo Energy	BTL	pullback on placement	gas
Bellevue Gold	BGL	down	gold
Besra Gold	BEZ	off its highs	gold
Black Cat Syndicate	BC8	down	gold
Boab Metals	BML	down	silver/lead
Brazilian Rare Earths	BRE	slump to support line	rare earths
Brightstar Resources	BTR	easing again	gold












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Caravel Minerals	CVV		down	copper
Carnaby Resources	CNB		breached downtrend	copper
Castile Resources	CST		testing downtrend	gold/copper/cobalt
Catalyst Metals	CYL		down	gold
Cazaly Resources	CAZ		still in downtrend	rare earths
Centaurus Metals	CTM		new high	nickel/cobalt/HPA
Challenger Gold	CEL		down	gold
CNG Resources	CGR		down	gold exploration
Cobalt Blue	COB		down	cobalt
CuFe	CUF		another new high	bismuth, Cu, Au
Cyprium Metals	CYM		back into downtrend	copper
Emmerson Resources	ERM		breached uptrend	gold
EQ Resources	EQR		downtrend starting	tungsten
Estrella Resources	ESR		sideways	manganese
Evolution Mining	EVN		down	gold
Felix Gold	FXG		breaching uptrend	gold exploration, antimony
Finder Energy	FDR		down	oil/gas
First Graphene	FGR		sideways	graphene
Flagship Minerals	FLG		sideways	gold
Gateway Mining	GML		down	gold exploration + gallium
GBM Resources	GBM		down	gold
Genesis Minerals	GMD		down	gold
Globe Metals and Mining	GBE		down	niobium
Gold 50	G50		down	gold exploration + gallium
Golden Horse	GHM		down	gold exploration
Great Boulder Resources	GBR		sideways	gold exploration
Green360 Tech	GT3		down	kaolin
Hamelin Gold	HMG		down	gold exploration
Hawk Resources	HWK		down	scandium
Heavy Minerals	HVY		breached downtrend	garnet
Hillgrove Resources	HGO		rising	copper
Iltani Resources	ILT		breached downtrend	antimony
Iluka Resources	ILU		rising again	mineral sands
Investigator Resources	IVR		falling	silver
Jupiter Mines	JMS		sideways	manganese
Kaiser Reef	KAU		down	gold
Kingfisher Minerals	KFM		back into downtrend	copper expl.
Kalamazoo Resources	KRZ		good rally	gold
Kalina Power	KPO		breached downtrend	data centre power
Koba Resources	KOB		down	uranium
Larvotto Resources	LRV		testing uptrend	gold, antimony
Litchfield Minerals	LMS		collapse	copper exploration
Lindian Resources	LIN		testing downtrend	rare earths + bauxite
Lode Resources	LDR		down	antimony, silver

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Lotus Resources	LOT	■	collapse	uranium
Lynas Corp.	LYC	■	surge higher	rare earths
Mammoth	M79	■	strong recovery	gold exploration
Many Peaks	MPK	■	correcting lower	gold exploration
Marmota	MEU	■	down	gold/uranium exploration
Matsa Resources	MAT	■	down	gold
Meeka Gold	MEK	■	down	gold
MetalsX	MLX	■	new high	tin, nickel
Meteoric Resources	MEI	■	on support line	rare earths
Midas Minerals	MM1	■	rising	lithium
Mithril Silver & Gold	MTH	■	still down	silver, gold
Native Mineral Resources	NMR	■	turning down	gold
New Murchison	NMG	■	down	gold
New World Resources	NWC	■	rising	copper
Nexgen Energy	NXG	■	breaching downtrend	uranium
Novo Resources	NVO	■	placement & heavy correction	gold exploration
Omega Oil	OMA	■	heavy correction	oil
Pacific Gold	PGO	■	on support line	gold exploration
Pacific Lime & Cement	PLA	■	rising	renewables, cement
Paladin Energy	PDN	■	breached uptrend	uranium
Pantoro Gold	PNR	■	down	gold
Patriot Battery Metals	PMT	■	on support line	lithium
Peninsula Energy	PEN	■	down	uranium
Perseus Mining	PRU	■	down	gold
Phosco	PHO	■	rising	phosphate
Pilbara Minerals	PGL	■	breached uptrend	gold
PolarX	PXX	■	down	gold exploration, base metals
QMines	QML	■	breached downtrend	copper
Regis Resources	RRL	■	down	gold
Revolver Resources	RRR	■	softer	copper
Richmond Vanadium	RVT	■	sideways	vanadium
RIO	RIO	■	new high	diversified, iron ore
Rox Resources	RXL	■	testing uptrend	gold
RTG Mining	RTG	■	near its high	copper
Rumble Resources	RTR	■	rising	zinc, gold, tungsten exploration
Santana Minerals	SMI	■	correcting lower	gold
Santos	STO	■	rising	oil/gas
Sarytogan Graphite	SGA	■	down	graphite
Scorpion Minerals	SCN	■	testing downtrend	gold exploration
Siren Gold	SNG	■	down	gold exploration
Skylark Minerals	SKM	■	spike out of downtrend	gold exploration
Somerset Minerals	SMM	■	heavy fall	copper exploration
Southern Palladium	SPD	■	down	PGMs
Stanmore Coal	SMR	■	rising again	coal

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St George Mining	SGQ		downtrend	rare earths, niobium
Stellar Resources	SRZ		on support line	tin
Sun Silver	SS1		down	silver
Sunrise Metals	SRL		surge higher	scandium
Tamboran Resources	TBN		lower	gas
Theta Gold	TGM		breaching downtrend	gold
Tivan	TVN		down	fluorite
Toro Energy	TOE		rising again	uranium
Torque Metals	TOR		down heavily	gold exploration + lithium
Toubani Resources	TRE		fallen to support line	gold
Verity Resources	VRL		down	gold
Vertex Minerals	VTX		down	gold
Waratah Minerals	WTM		testing uptrend	gold exploration
Westgold Resources	WGX		down	gold
West Wits Mining	WWI		down	gold
Whitehaven Coal	WHC		rising	coal
White Cliff Minerals	WCN		sideways	copper exploration
WIN Metals	WIN		down	gold
Yandal Resources	YRL		down	gold exploration
Totals	29%	41	Uptrend	
	50%	71	Downtrend	
		142		

Guides to Chart Interpretations

- Charts usually go pass from one trend (up or down) into the other via a period of indecision and uncertainty during which the trend can either recover or change. This period is signified by the orange colour. The orange represent both the greatest risk and greatest reward possibilities.
- Once a chart is in confirmed up or downtrends it is not uncommon for 10-20% of that trend to have already transpired.
- There are trends within trends. The focus of this chart review is the immediate trend that affects the sentiment i.e. it can be a downtrend within a long-term uptrend.
- Not every chart warrants a new comment every week. The new comments are in bold type. Grey type comments may be dated.
- Individual charts provide a single view. It is valuable to look at charts of other companies in similar commodities, and the overall sentiment is also very valuable. Not many stocks can swim against the tide.
- We periodically add or delete charts, some times for obscure reasons. If a chart consistent gives poor signals or is very erratic, we may delete it. Sometimes we add a chart because we want to see what all the fuss is about. We do have a preference for charting stocks that we cover in our research as well.
- Errors and omissions may occur from time to time, especially in fast moving markets.

Amber Lights in Tables: Just a reminder if when the amber light is used in the table – it is when the charts are ambiguous or when there is a change of trend taking place. If a chart is breaching a downtrend it can either be a positive sign or a trap. Only once it has done more work can it be confirmed as a new uptrend. Maybe it is a new uptrend (or conversely a new downtrend); the risk takers can decide to jump on board early (or sell). They will maximise their profits (or minimise their losses if indeed it is the start of the new uptrend (downtrend). More risk-averse investors should wait a little longer, being prepared to give up some of the gains in return for greater certainty.

Weightings of Sectors Represented in the Company Charts

Sector	No. of Companies	Weighting
Gold	35	24.6%
Gold Exploration	25	17.6%
Copper	14	9.9%
Rare Earths	11	7.7%

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Uranium	8	5.6%	
Oil/Gas/Hydrogen	6	4.2%	
Silver	6	4.2%	
Iron Ore/Manganese	5	3.5%	
Antimony	4	2.8%	
Lithium	2	1.4%	
Graphite/graphene	2	1.4%	
HPA/Kaolin	2	1.4%	
Nickel	2	1.4%	
Scandium	2	1.4%	
Tungsten	1	0.7%	
Tin	2	1.4%	
Coal	2	1.4%	
Bismuth	1	0.7%	
Niobium	1	0.7%	
Potash/Phosphate	2	1.4%	
Vanadium	1	0.7%	
PGMs	1	0.7%	
Mineral Sands	1	0.7%	
Cobalt	1	0.7%	
Other	5	3.5%	
Total	142		

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