

Focusing on three early Brazilian-based rare earth plays

Now is not the time to be depressed by short-term thinking. To do so will just cause unnecessary stress when most of the pain in the markets has already done its damage. Markets are down, and screens are full of red ink, but it is not the end of the world (I think).

We didn't have to be in this position, which can largely be attributed to Donald Trump's bad decisions. In particular, the Iran War has been a complete disaster that has sent shockwaves around the globe, sending inflation and interest rates higher. The question now is whether the negativity has been completely factored into the share prices or whether there is still more pain to come.

This week, we take a look at three more Brazilian rare earth companies.

Grigor Sentiment Oscillator

Charts in Uptrend: 14% (20%)

Charts in Downtrend: 69% (42%)

Unfortunately there was no bounce as the Oscillator crashed to a new low. That has taken it to extreme levels of negativity. Next, if the past is good guidance, we should see a rally.

Brazilian Rare Earth Companies

By now, you should know that Brazil has an abundance of rare earth opportunities that have been picked up by a number of ASX-listed companies. Recent news flow has been dominated by the Lynas bid for Meteoric Resources (MEI), that values the company at almost \$1bn for a large ionic clay-based project with resources of 1.631Bt at 2,317 ppm TREO, and a reserve of 151 Mt at 3,524 ppm TREO. MEI's DFS calculated a 23-year mine life would involve capex of US\$498m.

At the other end of the grade and tonnage scales is Power Minerals (PNN) with the very high-grade Morro do Ferro Project. Power reported amazing intercepts last Monday of 111m at 8.25% TREO, including 51m at 15.4% and 15m at 20.4% TREO, but it is still capitalised at less than \$70m. Why the difference in market capitalisations? Perhaps you can say that the beauty is in the eye of the beholder, but they are very different companies. Meteoric is at the tail end of the story, whereas Power is only just starting. As we know, an expanding news flow curve is often the key to an improving share price.

This week, we mention three other early-stage companies in the same sector: Alvo Minerals, Axel REE, and Magnum.

Alvo Minerals (ALV) - something is cooking

Alvo is still a small company, capitalised at \$32m with the shares closing at 9.5¢ last week. Its share price aggressively bucked the general market trend, rising spectacularly over two weeks, running from 2¢ to 11¢, on excellent turnover of \$3-5m per day. Prior to the placement detailed below, daily turnover was usually only a few thousand dollars per day.

Maybe this performance has something to do with the ASX release about the placement to strategic investors on 8/10/26, but we have no idea who was involved and what is strategic about them. Only \$1m was raised at the very low price of 2¢, and there were 1 for 2 options attached. No cash fee was payable but GBA Capital is to be granted 8 million unquoted options with a 4¢ strike.

It is very rare to see a share price spike so aggressively after a placement like this, with attached options. This is an exception to the scenario where placees often sell the shares and keep the options, with this depressing the short-term share price. Maybe it comes down to good broking on the part of Flynn, the GBA broker.

But what about the projects?

Alvo's Bluebush REE Project, in which it can earn a 100% interest, is in the same granite intrusion that hosts Serra Verde's HREE IAC (ionic absorption clay) mine, recently sold by Denham Capital for US\$2.8bn. That sale price was a complete surprise given the headaches that the project had been giving Denham since its opening in 2023. Rumour has it that Denham was close to walking away from it. The mine development was based on a resource of 911 Mt at 1,200 ppm TREO.

There is no resource at Bluebush yet, but there have been some good diamond drill intercepts of near-surface enriched HREE dysprosium and terbium mineralisation. Assays include 5m at 1,390 ppm TREO and 19.5m at 1,324 ppm, including 6m at 2,537 ppm TREO. Alvo has reported that 188 auger holes at the Florence prospect, in the southernmost area of Bluebush, are awaiting assay. Previously, it was reported that metallurgical testing confirmed the mineralisation is ionic absorption clay.

The Bottom Line

The sharemarket movements in the last fortnight don't seem to correlate with the news coming from the field. Alvo is in the game with some promising assays, but it is at the start of the game. The rhetoric is good, but much more work is required before a fundamental view can be expressed. The most important question right now is whether the recent on-market buying is sustainable.

Axel REE (AXL) - selling at option value only

Axel IPO'd in July 2024, raising \$13.8m to advance four rare earth projects in Brazil. Notably, its Caldas Project in southern Minas Gerais is adjacent to Meteoric's (MEI) huge ionic clay Caldeira Project, with similar geology. MEI's flagship Caladão Project is in a separate district.

Large resource at Caladão Project

In September, AXL announced a very large, 710 Mt resource grading 1,433 ppm TREO at the Caladão Project, Indicated and Inferred. This is contained in four deposits that cover only 50% of the 420 km² area of the licence. All deposits are open along strike and at depth.

Woolrich, one of the four deposits, contains 264 Mt at 1,101 ppm TREO and 35 ppm gallium. The Indicated component is 110 Mt at 1,073 ppm TREO. This is a priority area for evaluating an in-situ recovery (ISR) operation.

Drilling was conducted using a three-inch auger, open-hole technique, so the possibility of contamination needs to be considered. The vertical holes were drilled to a maximum depth of 25m, on a 200m grid within the infill area and 100m to 400m elsewhere. Samples were assayed by SGS using sodium peroxide fusion, with a 500 ppm TREO lower cut-off.

A pit optimisation exercise, which supports the resource reporting rather than an ISR development case, assumed a 25° pit wall slope. Free-dig mining costs were estimated at US\$1.60 pt, and processing at US\$7.23 pt.

In June 2026, Axel reported an ISR proof-of-concept from column leach testing using a mild magnesium sulphate solution at pH 4.0. The columns returned up to 560 ppm soluble TREO, with around 39% magnetic rare earths oxides. MD Dr Patience Mpofu said, *"This column program shows that Woolrich behaves as a genuine ionic-clay system under realistic flow conditions, recovering high-grade, magnet-rich rare earths while keeping impurities very low."*

The next steps are to prepare a hydrogeological desktop study in order to design an ISL field trial under real operating conditions. This could easily take up to six months. Once the results are in, we will have a much better idea of whether the process is technically feasible and economically viable.

The Bottom Line

Axel's project deserves greater attention from the market given the \$968m bid for Meteoric. Its \$10m market capitalisation prices the company at option value only with plenty of room for upside, especially when you consider the cash balance of \$5m.

The shares went into a trading halt on Friday, pending the release of material metallurgical testwork. It will be interesting to see if the news will spur the share price.

With respect to management, Axel recently appointed Patience Mpofu to the position of Managing Director. She comes with a PhD in mineral processing in rare earths and over 25 years of experience that included stints with companies like Anglo American and Lonmin, then 10 years

in consulting. She seems to have the perfect qualifications and experience.

Magnum Mining (MGU) - an MRE coming soon

Magnum Mining and Exploration's (MGU) share price is only 0.6¢ but it has a market capitalisation of \$19m due to there being 3.2bn shares on issue. The cash balance is a healthy \$3.7m.

The company is run by Antonio Vitor Junior, the executive chairman and managing director. Antonio is a Brazilian national who owns approximately 11% of the issued capital and has good experience in project management at Transpetro, PwC and Royal Dutch Shell.

Picanajuba North Project

Its main rare earth project is the 100%-owned Picanajuba North Project where it has an Exploration Target of 700-1,200 Mt 500-650 ppm TREO. The location is well served by paved roads, grid power and only 45 minutes from an airport.

In 2026, it has drilled 12,000m in 893 auger holes. It is planning to release a maiden MRE (mineral resource estimate) in November 2026, leading to a scoping study in January 2027. Holes were drilled on a 100m grid, to an average depth of 12m. This is thought to be close enough to enable an Indicated Resource to be announced.

The company is only looking at a kaoline saprolite at this stage. Mining of this decomposed granite material should be simple and low cost.

The ever-important metallurgical work is continuing, but at this point leaching with ammonia sulphate at a pH of 4, at room temperature, has been giving recovery rates of 55%. If it was to produce a carbonate concentrate the recoveries could be better than 90%.

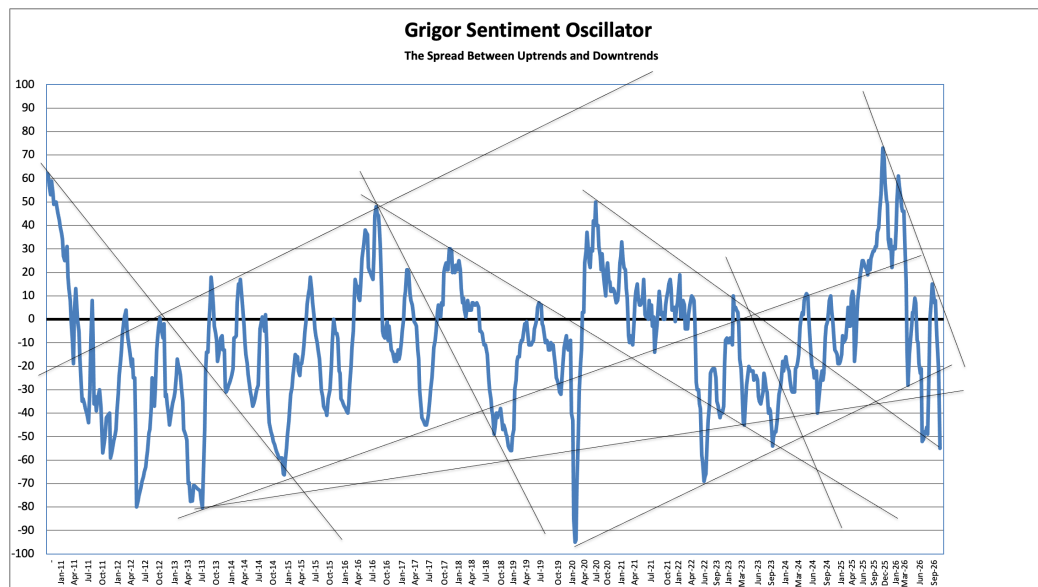
The Bottom Line

Magnum is obviously at an early stage. Much will depend upon what it comes up with in its first mineral resource statement in November, and then the scoping study in January. The exploration target grade seems low at 500-650 ppm TREO, compared with other projects, but it is too early to be judgemental.

Summing up these three companies

There is a world of difference between these three companies and the very successful Meteoric Resources, owing to time and the amount of work undertaken. While MEI's project is huge in terms of tonnage, once you get beyond a certain size, and a 20 year one life, the extra is superfluous. Grade is important but every deposit will have different grade domains within their resource bases. Metallurgy is more important than grade alone and for that we have to rely on the experts' opinions.

As far as relative value is concerned, Axel looks the most advanced and the lowest cost in terms of market value. Alvo is the most exciting in the market. Magnum may be about to ignite more interest with the pending mineral resource statement.



Grigor Sentiment Oscillator: The bounce we were looking for didn't happen. Sentiment collapsed with a big jump in downtrends. If charting works in reality, we could be looking for a rally from the current low. There were 14% (20%) of shares under coverage in uptrend, and 69% (42%) in downtrend. The market has great difficulty in maintaining such extremes for longer than a week or two. That suggests it is now time to buy for the rally, though it may need to bounce around for a bit before we see clear sailing.

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	testing downtrend	
Metals and Mining	XMM	heavy fall	
Energy	XEJ	testing downtrend	
Stocks	Code	Trend Comment (updated comments in bold)	Main Interest
Agua Resources	AGR	at lows	phosphate, gold
Akora	AKO	sideways	iron ore
Alkane Resources	ALK	back to support line	gold
Alligator Energy	AGE	down	uranium
Alpha HPA	A4N	new low	HPA
American Rare Earths	ARR	sideways	rare earths
American Tungsten & Antimony	AT4	back to downtrend line	antimon
Anax Metals	ANX	breached uptrend	copper
Andean Silver	ASL	new low	silver
AnteoTech	ADO	down	batteries
Arafura Resources	ARU	new low	rare earths
Ardea Resources	ARL	crunched to new low	nickel
Ark Mines	AHK	in secondary downtrend	rare earths
Astral Resources	AAR	secondary downtrend	gold
Aureka	AKA	rising	gold exploration
Auric Mining	AWJ	in secondary downtrend	gold

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Aurora Energy Metals	1AE		back to lows	uranium
Aurum Resources	AUE		down	gold exploration
Australian Gold and Copper	AGC		testing uptrend	base metals, silver, gold
Australian Rare Earths	AR3		on. support line	rare earths
BHP	BHP		down	diversified, iron ore
Ballard Mining	BM1		breached uptrend	lithium
Ballymore Resources	BMR		secondary downtrend	gold exploration
Barton Gold	BGD		secondary downtrend	gold exploration
BCI Minerals	BCI		testing uptrend	salt
Beach Energy	BPT		sideways	oil and gas
Beetaloo Energy	BTL		breaching downtrend	gas
Bellevue Gold	BGL		secondary downtrend	gold
Black Cat Syndicate	BC8		secondary downtrend, steep fall	gold
Boa Resources	BOA		heavy pullback	copper
Boab Metals	BML		secondary downtrend	silver/lead
Brazilian Rare Earths	BRE		down	rare earths
Brightstar Resources	BTR		pullback	gold
Broken Hill Gold (ex Pac Gold)	BH6		at highs pre placement	gold
Broken Hill Mines	BHM		collapse to a new low	base metals
Canadian Phosphate	CP8		rising	phosphate
Caravel Minerals	CVV		returned to downtrend	copper
Carnaby Resources	CNB		down	copper
Castile Resources	CST		sideways at lows	gold/copper/cobalt
Catalyst Metals	CYL		breached uptrend	gold
Cazaly Resources	CAZ		down	rare earths
Centaurus Metals	CTM		secondary downtrend	nickel/cobalt/HPA
Challenger Gold	CEL		down	gold
CNG Resources	CGR		down	gold exploration
CuFe	CUF		testing downtrend	bismuth, Cu, Au
Cyprium Metals	CYM		breached uptrend	copper
Energy Transition Metals	ETM		breached downtrend	rare earths
EQ Resources	EQR		down	tungsten
Estrella Resources	ESR		secondary downtrend	manganese
Evolution Mining	EVN		secondary downtrend	gold
Felix Gold	FXG		new low	gold exploration, antimony
Finder Energy	FDR		down	oil/gas
First Graphene	FGR		down	graphene
Flagship Minerals	FLG		down	gold
Gateway Mining	GML		pullback	gold exploration + gallium
GBM Resources	GBM		testing uptrend	gold
Genesis Minerals	GMD		testing downtrend	gold
Globe Metals and Mining	GBE		back in downtrend	niobium
Gold 50	G50		still down	gold exploration + gallium

Golden Horse	GHM		back to downtrend	gold exploration
Great Boulder Resources	GBR		sideways	gold exploration
Green360 Tech	GT3		down	kaolin
Hamelin Gold	HMG		down	gold exploration
Hawk Resources	HWK		collapse to a new low on low scandium assays	scandium
Heavy Minerals	HVY		down	garnet
Horizon Gold	HRN		uptrend	gold
Iltani Resources	ILT		down	antimony
Iluka Resources	ILU		back to lows	mineral sands
Investigator Resources	IVR		secondary downtrend	silver
Kantra Copper	KAN		rising	copper
Jupiter Mines	JMS		sideways	manganese
Kaiser Reef	KAU		back to lows	gold
Kingfisher Minerals	KFM		sideways	copper expl.
Kalamazoo Resources	KRZ		breached downtrend	gold
Kalina Power	KPO		down	data centre power
Koba Resources	KOB		down	uranium
Larvotto Resources	LRV		down	gold, antimony
Litchfield Minerals	LMS		still down	copper exploration
Lindian Resources	LIN		down	rare earths + bauxite
Lode Resources	LDR		back to lows	antimony, silver
Lynas Rare Earths .	LYC		steep rise	rare earths
Mammoth	M79		still down	gold exploration
Manuka Resources	MKR		slump on placement	silver
Many Peaks	MPK		stronger	gold exploration
Marmota	MEU		down	gold/uranium exploration
Maronan Metals	MMA		testing uptrend	silver/lead
Matsa Resources	MAT		suspended	gold
Meeka Gold	MEK		down	gold
MetalsX	MLX		testing uptrend	tin, nickel
Meteoric Resources	MEI		rising again	rare earths
Midas Minerals	MM1		down	lithium
Mithril Silver & Gold	MTH		down	silver, gold
Native Mineral Resources	NMR		down	gold
New Murchison	NMG		rising	gold
Nexgen Energy	NXG		still down	uranium
Novo Resources	NVO		testing downtrend	gold exploration
Omega Oil	OMA		secondary downtrend	oil
Pacific Lime & Cement	PLA		testing uptrend	renewables, cement
Paladin Energy	PDN		down heavily	uranium
Pantoro Gold	PNR		secondary downtrend	gold
Patriot Battery Metals	PMT		new low	lithium
Peninsula Energy	PEN		collapse	uranium
Perseus Mining	PRU		breaching uptrend	gold

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Phosco	PHO		sideways	phosphate
Pilbara Minerals	PGL		down	gold
Power Minerals	PNN		uptrend	rare earths
QMiner	QML		improving	copper
Regis Resources	RRL		heavy fall	gold
Revolver Resources	RRR		at lows	copper
Richmond Vanadium	RVT		secondary downtrend	vanadium
RIO	RIO		down	diversified, iron ore
Rox Resources	RXL		pullback	gold
RTG Mining	RTG		down	copper
Rumble Resources	RTR		down	zinc, gold, tungsten exploration
Santana Minerals	SMI		down	gold
Santos	STO		at highs	oil/gas
Sarytogan Graphite	SGA		sideways	graphite
Scorpion Minerals	SCN		down	gold exploration
Sinclair Gold (was AQI)	SGC		secondary downtrend	gold exploration
Siren Gold	SNG		down	gold exploration
Skylark Minerals	SKM		down	gold exploration
Somerset Minerals	SMM		down	copper exploration
Southern Palladium	SPD		secondary downtrend	PGMs
Stanmore Coal	SMR		back to support line	coal
St George Mining	SGQ		down	rare earths, niobium
Stellar Resources	SRZ		breached uptrend	tin
Sun Silver	SS1		secondary downtrend	silver
Sunrise Energy Metals	SRL		breached uptrend	scandium
Tamboran Resources	TBN		down	gas
Theta Gold	TGM		breaching support line	gold
Tivan	TVN		resuming downtrend	fluorite
Torque Metals	TOR		at lows	gold exploration + lithium
Toubani Resources	TRE		secondary downtrend	gold
Unity Mining	UM1		down	gold exploration
Verity Resources	VRL		down	gold
Vertex Minerals	VTX		secondary downtrend	gold
Waratah Minerals	WTM		pullback	gold exploration
Westgold Resources	WGX		secondary downtrend	gold
West Wits Mining	WWI		testing downtrend	gold
Whitehaven Coal	WHC		pullback	coal
White Cliff Minerals	WCN		heavy slump	copper exploration
WIN Metals	WIN		hitting resistance line	gold
Yandal Resources	YRL		back to lows	gold exploration
Totals	14%	20	Uptrend	
	69%	98	Downtrend	
		143		

Guides to Chart Interpretations

- Charts usually go 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 represents 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, sometimes for obscure reasons. If a chart consistently 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 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 (or 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	24.5%	
Gold Exploration	23	16.1%	
Copper	13	9.1%	
Rare Earths	12	8.4%	
Uranium	6	4.2%	
Oil/Gas/Hydrogen	6	4.2%	
Silver	8	5.6%	
Iron Ore/Manganese	5	3.5%	
Antimony	4	2.8%	
Lithium	3	2.1%	
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	3	2.1%	
Base metals	1	0.7%	
Vanadium	1	0.7%	
PGMs	1	0.7%	
Mineral Sands	1	0.7%	

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Other	6	4.2%	
Total	143		

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