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FAR EAST CAPITAL
The Mining Investment Experts

Weekly Commentary

25 July 2026 *Chart comments updated on Friday's close* Analyst : Warwick Grigor

Still waiting for the worm to turn

The oil price is up and the gold price is down. The Metals and Mining Index is in a downtrend. The market continues to be in a quagmire rather than following typical seasonal trends. That means we may have to wait a while longer before this bear market turns, but with a number of charts breaking downtrends last week, maybe the recovery is closer than one might think. Interestingly, companies are still managing to raise money even in this subdued market. Brokers need to do deals to keep the door open.

Politics is a mess both domestically and internationally. The electorate has lost confidence in the Labor Government, but it seems insulated from accountability owing to the lack of teamwork between the Liberals and One Nation. If they only worked together, they could swing the next government back to the right.

As I suggested a few weeks back, Trump's MoU was a desperate attempt to make people think he had a deal with Iran. So much for that. Like so many juniors that announce MoUs it wasn't worth the paper it was written on; and so the war goes on.

Sentiment Oscillator	
Charts in Uptrend:	15% (16%)
Charts in Downtrend:	61% (64%)

Q: When is a decline not a decline?
A: When it is a tunnel.

Victoria has a reputation for being a difficult state in which to be permitting a mine. This is partly because of the Mines Department being full of greenies and NIMBYs, but there is an underlying cultural issue that has been holding the industry back for decades. Open pits are almost impossible to permit. There is plenty of gold in the ground, but how do you get to it? It is without doubt the most frustrating state for the mining industry.

I was discussing this with Victorian mining companies at the Noosa Mining Conference, and I learnt that there is a workaround to getting excavation going. Apparently, if you call it a tunnel rather than a decline, you can circumvent the regulations. Pragmatically, that sounds good, but what does it really mean?

There are rules and regulations in the Mines Act which we can objectively pursue, but how can a company get approvals outside of it? Where is the objectivity that comes with transparent regulation?

Victorians are good at tunnels for transport infrastructure, with the blessing of trade unions, but my understanding is that a tunnel has two openings. You know the expression "you can see the light at the end of the tunnel". That is very different to a decline that accesses an orebody deep underground.

There is a gold company in Victoria that has been given permission to excavate a tunnel, but that company doesn't have a JORC Resource. By definition, it means that it can't have done a Scoping or a Pre-Feasibility Study. So, what the hell is going on? Why is it allowed to start a mine without ticking all the boxes? What environmental studies have been done? Why is this an exception to the rule? Is it one law for them and a different one for everyone else?

This sounds like a situation that needs further scrutiny. In whose electorate is the mining taking place? What unusual payments or approvals have been made to facilitate this circumvention of the rules and regulations? Please explain. If it was in NSW, you would probably see this referred to ICAC, but in Victoria, the similar body seems to be subservient to the government, so it doesn't really serve a credible purpose. I'd be happy to field any thoughts and opinions of readers who are better informed than me.

Pacific Gold spiked higher last week

PGO was a star performer last week, spiking from 10.7¢ to 20¢ at one point. This was in response to the announcement of a "*high-grade discovery*" at its White Dam Gold Project, 80 km west of Broken Hill. Whether it is actually a discovery is a moot point as the gold at the White Dam site has been mined by a few companies over the years, starting with the private group Polymetals Mining in 2007. It then passed to Arrium Mining and GBM Resources, and most recently to Pacific Gold, who has reported a resource of 4.6 Mt at 0.7 gpt for 102,000 oz of gold.

Historically, there has been 7.5 Mt of ore mined at 0.94 gpt, with total gold production being in the order of 220,000 oz, mostly from heap leaching.

The best place to look for gold is where it has been found previously. Changing economics and fresh geological interpretations, and drilling deeper, can reveal economic gold that was previously overlooked. This would seem to be the case at White Dam, where focus was previously on low-cost oxidised mineralisation.

The Bottom Line

To say it could be "*the tip of an iceberg*" is a good promotional phrase, but there is genuine reason for optimism. Let's see what further drilling reveals. In the meantime, it is good to see the market reaction.

Discovery, and then comes dilution.

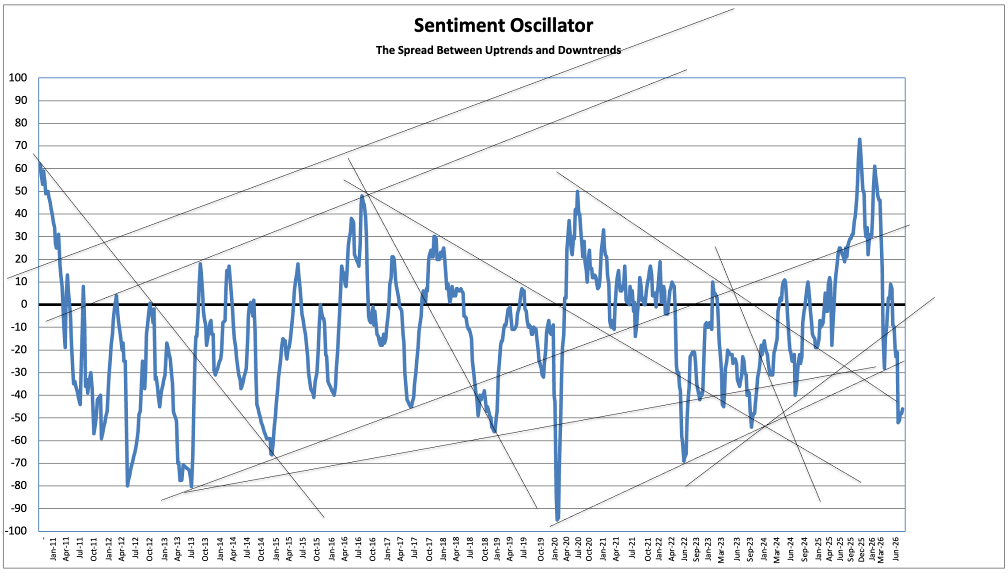
Investors love to hate dilution, passionately, but to do so is shortsighted and unrealistic. As one astute company CEO said to me last week, "make a discovery and you guarantee dilution". An exploration company can carefully husband its cash in the early stage of a program, but once you make a discovery, it needs to be drilled out. That requires more money. The more successful the drill out, the more money is required for the subsequent stages of the project. The more shares have to be issued.

Rather than just grumble about dilution, investors should be focussing on how wisely the money has been spent. Has money been wasted or has it been carefully spent to maximise the value? Will that spending ultimately lead to an increase in the business value of a company?

Other factors to consider are whether or not options are attached and the percentage discount at which the new shares are issued. I know one broker that uses the phrase "priced to clear". Beware of that approach as it really means "priced to go lower".

A share price will usually fall to the issue price in a gut reaction to the news, and the market has to digest the issue. That digestion period could mean that the shares underperform for a while. If the new shares are issued at a big discount, they will fall more heavily. If options are attached, it seems that traders sell the shares to recover their money and they let the options run. A more reasonable scenario is a 10% discount and no options, as there will be fewer legacy issues.

To criticise a company on the concept of dilution alone is like criticising a person for consuming oxygen. Without it, you die. Without working capital, a company goes broke. So, to all those investors that instinctively abuse directors for dilution … back off. Pricing is more of a concern.



Sentiment Oscillator: Sentiment bounced around the bottom last week. There were 15% (16%) of shares under coverage in uptrend, and 61% (64%) 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		new uptrend forming	
Metals and Mining	XMM		new high then a correction	
Energy	XEJ		breached downtrend	
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		sideways	gold
Alligator Energy	AGE		new uptrend forming	uranium
Alpha HPA	A4N		fallen to downtrend line	HPA
American Rare Earths	ARR		testing downtrend	rare earths

American Tungsten & Antimony	AT4	testing downtrend	antimon
Anax Metals	ANX	down heavily	copper
Andean Silver	ASL	down	silver
AnteoTech	ADO	down	batteries
Arafura Resources	ARU	breached uptrend	rare earths
Ardea Resources	ARL	down	nickel
Ark Mines	AHK	down	rare earths
Astral Resources	AAR	ticking higher	gold
Aureka	AKA	weaker	gold exploration
Auric Mining	AWJ	down	gold
Aurora Energy Metals	1AE	down	uranium
Aurelia Metals	AMI	improving	copper + base metals
Aurum Resources	AUE	down	gold exploration
Australian Gold and Copper	AGC	risen to resistance line	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	lithium
Ballymore Resources	BMR	testing downtrend	gold exploration
Barton Gold	BGD	downtrend	gold exploration
Beach Energy	BPT	down	oil and gas
Beetaloo Energy	BTL	breaching uptrend	gas
Bellevue Gold	BGL	down	gold
Besra Gold	BEZ	off its highs	gold
Black Cat Syndicate	BC8	down	gold
Boa Resources	BOA	rising	copper
Boab Metals	BML	testing downtrend	silver/lead
Brazilian Rare Earths	BRE	testing downtrend	rare earths
Brightstar Resources	BTR	easing again	gold
Canadian Phosphate	CP8	down	phosphate
Caravel Minerals	CVV	down	copper
Carnaby Resources	CNB	breached support line	copper
Castile Resources	CST	down	gold/copper/cobalt
Catalyst Metals	CYL	down	gold
Cazaly Resources	CAZ	still in downtrend	rare earths
Centaurus Metals	CTM	breached uptrend	nickel/cobalt/HPA
Challenger Gold	CEL	down	gold
CNG Resources	CGR	spike out of downtrend	gold exploration
Cobalt Blue	COB	down	cobalt
CuFe	CUF	another new high	bismuth, Cu, Au
Cyprium Metals	CYM	breaching downtrend	copper
EQ Resources	EQR	falling again	tungsten
Estrella Resources	ESR	rising	manganese
Evolution Mining	EVN	down	gold

Felix Gold	FXG		down	gold exploration, antimony
Finder Energy	FDR		rising	oil/gas
First Graphene	FGR		improving	graphene
Flagship Minerals	FLG		down	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		breached downtrend	gold exploration + gallium
Golden Horse	GHM		down	gold exploration
Great Boulder Resources	GBR		sideways	gold exploration
Green360 Tech	GT3		down	kaolin
Hamelin Gold	HMG		breached downtrend	gold exploration
Hawk Resources	HWK		down	scandium
Heavy Minerals	HVY		at lows	garnet
Hillgrove Resources	HGO		rising	copper
Iltani Resources	ILT		breached downtrend	antimony
Iluka Resources	ILU		down	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		down	gold
Kalina Power	KPO		rising	data centre power
Koba Resources	KOB		testing downtrend	uranium
Larvotto Resources	LRV		testing uptrend	gold, antimony
Litchfield Minerals	LMS		collapse	copper exploration
Lindian Resources	LIN		stronger	rare earths + bauxite
Lode Resources	LDR		down	antimony, silver
Lotus Resources	LOT		collapse	uranium
Lynas Corp.	LYC		down	rare earths
Mammoth	M79		strong recovery	gold exploration
Many Peaks	MPK		on support line	gold exploration
Marmota	MEU		down	gold/uranium exploration
Matsa Resources	MAT		down	gold
Meeka Gold	MEK		down	gold
MetalsX	MLX		breached downtrend	tin, nickel
Meteoric Resources	MEI		testing downtrend	rare earths
Midas Minerals	MM1		down	lithium
Mithril Silver & Gold	MTH		still down	silver, gold
Native Mineral Resources	NMR		turning down	gold
New Murchison	NMG		sideways	gold
Nexgen Energy	NXG		down	uranium
Novo Resources	NVO		placement & heavy correction	gold exploration

Omega Oil	OMA		heavy correction	oil
Pacific Gold	PGO		spiked higher	gold exploration
Pacific Lime & Cement	PLA		rising	renewables, cement
Paladin Energy	PDN		breached uptrend	uranium
Pantoro Gold	PNR		down	gold
Patriot Battery Metals	PMT		down	lithium
Peninsula Energy	PEN		new low	uranium
Perseus Mining	PRU		down	gold
Phosco	PHO		sideways	phosphate
Pilbara Minerals	PGL		down	gold
PolarX	PXX		down	gold exploration, base metals
Power Minerals	PNN		down	rare earths
QMines	QML		breached downtrend	copper
Regis Resources	RRL		breached downtrend	gold
Revolver Resources	RRR		stronger	copper
Richmond Vanadium	RVT		sideways	vanadium
RIO	RIO		down	diversified, iron ore
Rox Resources	RXL		down	gold
RTG Mining	RTG		testing uptrend	copper
Rumble Resources	RTR		softer	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
Sinclair Gold (was AQI)	SGC		down	gold exploration
Siren Gold	SNG		down	gold exploration
Skylark Minerals	SKM		down	gold exploration
Somerset Minerals	SMM		heavy fall	copper exploration
Southern Palladium	SPD		down	PGMs
Stanmore Coal	SMR		heavy correction	coal
St George Mining	SGQ		downtrend	rare earths, niobium
Stellar Resources	SRZ		breached uptrend	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		testing downtrend	fluorite
Torque Metals	TOR		down heavily	gold exploration + lithium
Toubani Resources	TRE		down	gold
Verity Resources	VRL		down	gold
Vertex Minerals	VTX		down	gold
Waratah Minerals	WTM		down	gold exploration
Westgold Resources	WGX		down	gold
West Wits Mining	WWI		down	gold

Whitehaven Coal	WHC		rising	coal
White Cliff Minerals	WCN		sideways through the downtrend	copper exploration
WIN Metals	WIN		down	gold
Yandal Resources	YRL		down	gold exploration
Totals	15%	21	Uptrend	
	61%	87	Downtrend	
		142		

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	**34**	**23.9%**	
Gold Exploration	**24**	**16.9%**	
Copper	**14**	**9.9%**	
Rare Earths	**12**	**8.5%**	
Uranium	**7**	**4.9%**	
Oil/Gas/Hydrogen	**6**	**4.2%**	
Silver	**6**	**4.2%**	
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%**	
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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