

Could Power Minerals New Rare Earth Project be Better Than Lindian's Kangankunde?

The Iran War is getting more boring. It seems as if it is going to be a continual drag on markets, but not offering major directional changes. Within the general narrative there will be winners and losers amongst industry. The hydrocarbon energy stocks will become more popular. Fertiliser stocks will be basking in glory. Any mineral processing facility that needs sulphuric acid will be in trouble and that could lead to higher prices for copper and nickel. Gold and silver tend to be sidelined somewhat, but that is not reason to sell. At all times President Trump is liable to throw a cat amongst the pigeons.

This week we focus on Power Minerals, where Alistair Stephens has emerged after a "holiday" following his departure from Lindian Resources. As it happens, he seems to have landed on his feet with something that could actually be better than Lindian's Kangankunde project. It is early days, but I have a good feeling about this one.

Power Minerals has Landed a Big One

Power Minerals (PNN) showcased in Sydney last week, coinciding with the completion of the acquisition of the Morro do Ferro Rare Earths Project (MDF) in Brazil. Power acquired 100% of the shares in the owner, a private exploration company, Mineração Terras Raras (MTR). Consideration involves payment over time;

- Initial, paid - A\$3m in cash and \$3m in shares, deemed at 9c,
- Deferred - after 12 months, \$2.5m cash and \$2.5m in shares,
- after 24 months - A\$1.75m in cash and \$1.75m in shares,
- after 36 months - A\$1.75m in cash and \$1.75m in shares,
- after 60 months - A\$1.5m in cash and \$1.5m in shares and
- a milestone payment of \$1.5m on a 20 Mt TREO JORC Mineral Resource.

These add up to \$12m in cash and \$10.5m in shares, but there is also a 2.5% NSR royalty. Further, there is a facilitation fee of 13% on the \$21m paid i.e. another \$2.9m. At various points there is a requirement for the completion of various studies and achievement of licences and approvals.

Brazil is the place to be for rare earths

Brazil is increasingly becoming the most significant global destination for rare earth projects. Just last week the Serra Verde Group, the owner of the Pela Ema mine in Goiás, was purchased by USA Rare Earth in a deal worth US\$2.8bn. Ionic clays have been commercially mined at Pela Ema since 2024, from one of the largest deposits of this type in the world. Resources comprise around 911 Mt at 1,200 ppm TREO. The mine is designed to produce 6,500 tpa of rare earth oxide concentrates over a 25 year

mine life, but the capacity may soon be doubled. The REEs typically occur in a six metre-deep layer of clay-bearing saprolite produced by the deep weathering of granite.

Australian companies have been all over the Brazilian space, including the high profile, Gina Rinehart backed Brazilian Rare Earths (BRE), Meteoric Resources (MEI) and St George Mining (SGB). There is a swag of lesser well-known companies all vying for attention. So, how does newcomer Power stack up with these?

Location and Licence

Located in the mining friendly State of Minas Gerais, the ground is covered by an unusual mining license that was granted in 1946, and remains current until eternity i.e. no expiry date. That is a major advantage, though Power will still need to comply with any environmental licensing requirements.

The project is located almost in the centre of the Poços de Caldera complex, one of the world's pre-eminent REE regions. The area of the complex surrounding Morro do Ferro has the highest grade ionic adsorption clay-hosting REE in the world.

Geology and Mineralisation

The Morro do Ferro Project hosts a rare, extremely high grade REE deposit formed under supergene lateritic weathering conditions, continuing down into fresher material beyond the current limits of drilling. I understand that the previous owners drilled 46 holes to about 80m depth, showing that this could be brecciated mineralisation overlying a deeper carbonatite pipe.

The primary mineralisation in the MDF licence is bastnasite (a rare earth carbonate mineral) rather than the clay type found in the nearby Meteoric Resources ground, which comprises ionic clays zones totalling 1.5 Bt of 2,359 ppm TRE. As far as clays are concerned, this is a great grade in a huge tonnage, but it is a secondary deposit, not primary.

MDF is different. It is believed to be a high-grade carbonatite pipe that was actually the feeder source of all the surrounding clay deposits. At 5% TREO, or 50,000 ppm TREO it is about 20x the grade of the clay deposits. If grade is indeed king, put the crown on Power's head.

I have seen tables of impressive intercepts and grades that suggest there is something serious there, but nothing yet to give me an idea of resource potential.

What could be possible?

It is too early to say with any certainty, but Power will probably target production of 40,000 tpa of concentrates. It has plenty of work to do before it gets to a decision point, but there is a view that the process flow sheet could be similar to that of Mountain Pass, in California. Expect metallurgical recovery in the range of 70-80%.

Expected new flow

Power will soon commence a drill program at the MDF Project, undertaking deep (>200 m) diamond core and RC holes on the main high-grade deposit, complemented by aircore drilling to test the wide, untested margins where historical traverse spacings of 250 to 480 metres in shallow auger drilling have left significant ground inadequately tested. Mineralisation in the main deposit remains open at depth and along strike.

Add the Salta Lithium Project in Argentina

In March, PNN announced a non-binding deal whereby Summit Explore Corporation is to earn a 59% JV interest in five lithium brine salars held by PNN in Argentina. Summit can earn the interest once it elects to fund and build a 5,000 tonne commercial DLE plant, subsequent to spending US\$6m on exploration. It may also pay US\$50m to buy PNN out completely. The deal is subject to finalisation of a Definitive Agreement, probably by June 2026.

Summit's world-leading patented denaLi™ DLE technology is understood to be able to produce lithium from brines with over 95% lithium recovery and over 98% impurity reduction. A Preliminary Economic Assessment completed to a Scoping Study level contemplated production of 7,061 tpa of high purity lithium carbonate over a 14 year mine life, offering annual revenue of US\$194m. This could be a valuable project.

Gamma Heavy Rare Earths Project, California

Back in October 2025, PNN announced the exercise of an option over the Gamma Heavy Rare Earths Project in the San Bernardino district of California. The property features a distinct uranium zone separate to the rare earth zones, which is also a characteristic of the Mountain Pass REE Mine. This needs money spent on exploration.

Santa Anna Rare Earths an Niobium in Brazil

Yet another prospect is that of Santa Anna, with sampling grades of up to 1.47% Nb₂O₅ and 6.2% TREO in clay-rich saprolite. A 10,000m RC drilling project is planned in 2026. Located in the Goiás State, it is interpreted to have similarities to the Morro Preto deposit in the Catalão Complex, where CMOC Brazil operates the world's second largest niobium mine.

Alistair Stephens Gives Management Credibility

Power recently appointed Alastair Stephens to the position of CEO. He brings many years of rare earths experience to the Company, including successful stints at Arafura Resources and Lindian Resources.

Finance is okay for now

Power currently has a cash balance of around \$4m, after paying the first \$3m for MDF. The second tranche of the recent placement will bring in about \$3.5m in June. Over time Power will need to raise funds to advance the projects; tens of millions of dollars will be required in the exploration and evaluation stage. But, there is no point in being intimidated by this requirement. Don't worry about dilution. That is always a red herring that shareholders focus on too much. You can't build a business by starving the company of capital. The money should be there when needed. (We have just seen Meteoric raise another \$40m last week).

The Bottom Line

There are many companies, in many sectors, that are pretenders without any realistic chance of graduating to becoming a producer. They trade on concepts and promotion rather than reality, but you can still make money trading them. Power is not one of these companies, in my opinion. It has sufficient ticks to justify expectations of production, eventually. In the meantime, it will also trade according to rising and falling perspectives.

My early thought is that MDF looks a bit like Kangankunde (Lindian's REE project in Malawi), except it is probably twice the grade. It is also in a better jurisdiction with superior logistics. It looks like Alistair has rebounded with a better project. This is going to be a developing story.

If you distill down all the information above and consider the possibilities, \$40m (the current market capitalisation) is not too much to pay for Power. By comparison, that is less than 10% of the capitalisation of Meteoric. The news flow is about to start for Morro do Ferro. I always say that news flow is a necessary ingredient for a share price to go higher, especially as the market is only just starting to hear the story for the first time.

The Company might have too many projects on its plate just now. It will not have the personnel, the time or the cash resources to pursue them all in earnest, so some rationalisation could be expected. Morro do Ferro will be the chief project going forward.

Samarium - an important, though less expensive rare earth.

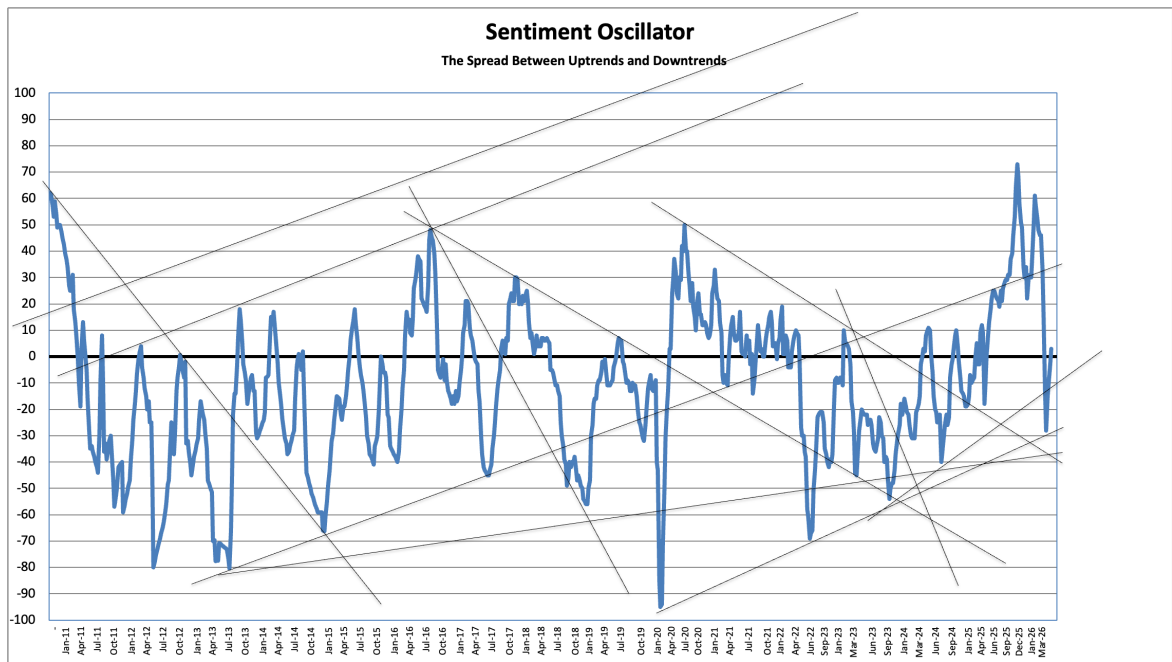
Those of you who are familiar with the suite of rare earth minerals will know intimately of the valuable heavy rare earths of neodymium, praseodymium (NdPr) and terbium, but the US Department of Defence (or is it War?) is recently been keen on samarium. Why?

Samarium is best known for its use in samarium-cobalt magnets (SmCo), amongst the strongest permanent magnets available. These are much more resistant to heat than the alternatives and they are highly resistant to corrosion. They are ideal for jet engines, precision instruments and space technology. They perform differently to neodymium magnets and do particularly well under extreme conditions. Samarium sells for approximately 10% of the price of NdPr, so it represents a relatively smaller value component at typically 1-3% of a REE mix, but its military applications make it very strategic.

Thinking About Projects in Europe

The Economist ran an article recently that said Europe was a difficult continent on which to advance resource projects, saying that the average time to get a project approved and permitted was 20 years. I don't know about you, but given the time I have left on the planet, that time frame is too long for my portfolio. Time is one thing, but anything that takes that long is obviously of low priority in any country. There is no excuse for taking so long. Communities will be obstructive because they can, irrespective of what politicians say.

We have added Phosco (PHO) and Power Minerals (PNN) to our chart coverage. Phosco is worth keeping a closer eye on given the developments in the fertiliser markets brought on by the Iranian War.



Sentiment Oscillator: Sentiment was steady last week. There were 37% (37%) of shares under coverage in uptrend, and 34% (34%) 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		fallen to support line	
Metals and Mining	XMM		correcting lower	
Energy	XEJ		correcting lower	
Stocks	Code		Trend Comment (updated comments in bold)	Main Interest
Aguia Resources	AGR		testing uptrend	phosphate, gold
Akora	AKO		testing uptrend	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		down	HPA
American Rare Earths	ARR		down	rare earths
American Tungsten & Antimony	AT4		down	antimon
Anax Metals	ANX		recovering uptrend	copper
Andean Silver	ASL		rising again	silver
Arafura Resources	ARU		shallower uptrend	rare earths
Ardea Resources	ARL		testing support line	nickel
Ark Mines	AHK		down	rare earths
Astral Resources	AAR		breaking downtrend	gold
Aureka	AKA		weaker	gold exploration
Auric Mining	AWJ		testing uptrend	gold
Aurora Energy Metals	1AE		testing downtrend	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		down	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		testing downtrend	gold exploration
Beach Energy	BPT		sideways	oil and gas
Beetaloo Energy	BTL		pullback on placement	gas
Bellevue Gold	BGL		recapturing uptrend	gold
Besra Gold	BEZ		off its highs	gold
Black Cat Syndicate	BC8		down	gold
Boab Metals	BML		heavy correction	silver/lead
Brazilian Rare Earths	BRE		heavy pullback	rare earths
Brightstar Resources	BTR		strong rally	gold
Caravel Minerals	CVV		down	copper







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Carnaby Resources	CNB		breached downtrend	copper
Castile Resources	CST		testing downtrend	gold/copper/cobalt
Catalyst Metals	CYL		down	gold
Cazaly Resources	CAZ		testing downtrend	rare earths
Centaurus Metals	CTM		new high	nickel/cobalt/HPA
Challenger Gold	CEL		sideways	gold
CNG Resources	CGR		down	gold exploration
Cobalt Blue	COB		down	cobalt
CuFe	CUF		sideways	bismuth
Cyprium Metals	CYM		down	copper
Emmerson Resources	ERM		new high	gold
EQ Resources	EQR		strongly higher	tungsten
Estrella Resources	ESR		sideways	manganese
Evolution Mining	EVN		pullback	gold
Felix Gold	FXG		down	gold exploration, antimony
Finder Energy	FDR		correcting lower	oil/gas
First Graphene	FGR		down	graphene
Flagship Minerals	FLG		new high	gold
Gateway Mining	GML		down	gold exploration + gallium
Genesis Minerals	GMD		recovering	gold
Globe Metals and Mining	GBE		higher again	niobium
Gold 50	G50		rising again	gold exploration + gallium
Golden Horse	GHM		down	gold exploration
Great Boulder Resources	GBR		recovering	gold exploration
Green360 Tech	GT3		slump to lows	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		down	antimony
Iluka Resources	ILU		rising again	mineral sands
Investigator Resources	IVR		falling	silver
Jupiter Mines	JMS		breached uptrend	manganese
Kairos Minerals	KAI		recaptured uptrend	gold
Kaiser Reef	KAU		correcting	gold
Kingfisher Minerals	KFM		rising	copper expl.
Kalamazoo Resources	KRZ		good rally	gold
Kalina Power	KPO		down	data centre power
Koba Resources	KOB		testing downtrend	uranium
Larvotto Resources	LRV		testing uptrend	gold, antimony
Litchfield Minerals	LMS		testing downtrend	copper exploration
Lindian Resources	LIN		rising	rare earths + bauxite
Lode Resources	LDR		down	antimony, silver
Lotus Resources	LOT		collapse	uranium

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Lynas Corp.	LYC		surge higher	rare earths
Mammoth	M79		strong recovery	gold exploration
Many Peaks	MPK		new high	gold exploration
Marmota	MEU		down	gold/uranium exploration
Matsa Resources	MAT		down	gold
Meeka Gold	MEK		down	gold
MetalsX	MLX		testing downtrend	tin, nickel
Meteoric Resources	MEI		on support line	rare earths
Metro Mining	MMI		sideways	bauxite
Midas Minerals	MM1		rallying	lithium
Mithril Silver & Gold	MTH		pullback	silver, gold
Native Mineral Resources	NMR		turning down	gold
New Murchison	NMG		testing downtrend	gold
New World Resources	NWC		rising	copper
Nexgen Energy	NXG		breaching downtrend	uranium
Novo Resources	NVO		placement & heavy correction	gold exploration
Omega Oil	OMA		rising	oil
Pacific Gold	PGO		breaching downtrend	gold exploration
Pacific Lime & Cement	PLA		sideways	renewables, cement
Paladin Energy	PDN		pullback	uranium
Pantoro Gold	PNR		breached downtrend	gold
Patriot Battery Metals	PMT		breached downtrend	lithium
Peninsula Energy	PEN		down	uranium
Perseus Mining	PRU		down	gold
Phosco	PHO		rising	phosphate
PolarX	PXX		down	gold exploration, base metals
QMiner	QML		breached downtrend	copper
Regis Resources	RRL		rising again	gold
Revolver Resources	RRR		softer	copper
Richmond Vanadium	RVT		spiked higher	vanadium
RIO	RIO		new high	diversified, iron ore
Rox Resources	RXL		testing uptrend	gold
RTG Mining	RTG		strong rally	copper
Rumble Resources	RTR		rising	zinc, gold, tungsten exploration
S2 Resources	S2R		down	gold exploration
Santana Minerals	SMI		correcting lower	gold
Santos	STO		rising	oil/gas
Sarytogan Graphite	SGA		sideways	graphite
Scorpion Minerals	SCN		softer	gold exploration
Siren Gold	SNG		down	gold exploration
Skylark Minerals	SKM		down	gold exploration
Somerset Minerals	SMM		back to support line	copper exploration
Southern Palladium	SPD		rising	PGMs
Stanmore Coal	SMR		down	coal

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St George Mining	SGQ		recovering	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		breached downtrend	fluorite
Toro Energy	TOE		rising again	uranium
Torque Metals	TOR		surge on management changes	gold exploration + lithium
Toubani Resources	TRE		steep rise	gold
Verity Resources	VRL		down	gold
Vertex Minerals	VTX		down	gold
Waratah Minerals	WTM		regaining uptrend	gold exploration
Westgold Resources	WGX		breached downtrend	gold
West Wits Mining	WWI		breached uptrend after share consolidation	gold
Whitehaven Coal	WHC		breached uptrend	coal
White Cliff Minerals	WCN		sideways	copper exploration
WIN Metals	WIN		down	gold
Yandal Resources	YRL		down	gold exploration
Totals	37%	52	Uptrend	
	34%	48	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	34	23.9%	
Gold Exploration	26	18.3%	
Copper	14	9.9%	
Rare Earths	11	7.7%	
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%	
Bauxite	1	0.7%	
Cobalt	1	0.7%	
Other	4	2.8%	
Total	142		

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