



Mining

## Merry Xmas: All the commodities our experts think could rule the roost in 2023 ... oh, and 24 stock picks

December 8, 2022 | [Josh Chiat](#)

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- We asked Stockhead readers which commodities are exciting them the most in 2023
- Copper, gold, uranium and lithium are on the radar of small cap mining fans
- Six experts give us their best commodity bets for 2023 ... AND 24 STOCK PICKS

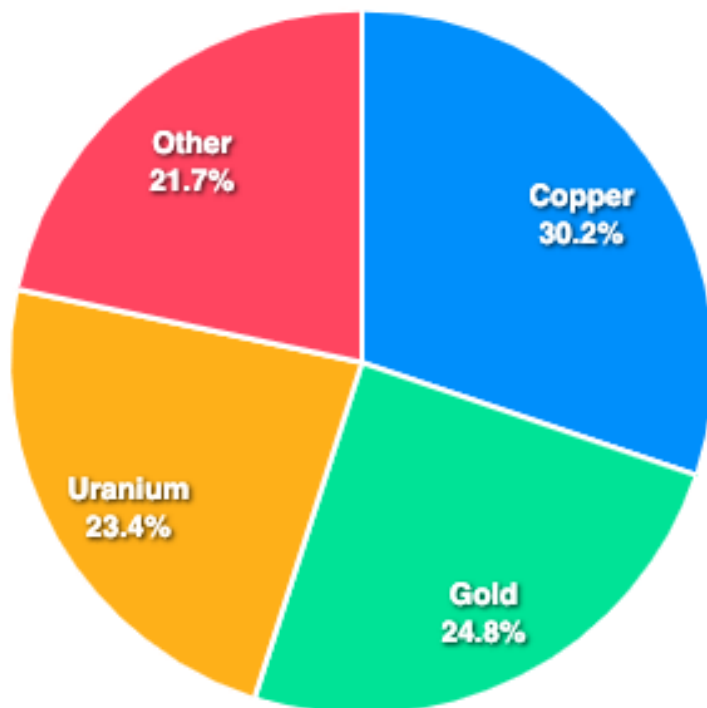
2022 is nearly done and dusted, we're into the home stretch and like an amateur steeplechaser we've all got there covered in mud and water with our bodies (and portfolios) barely in one piece.

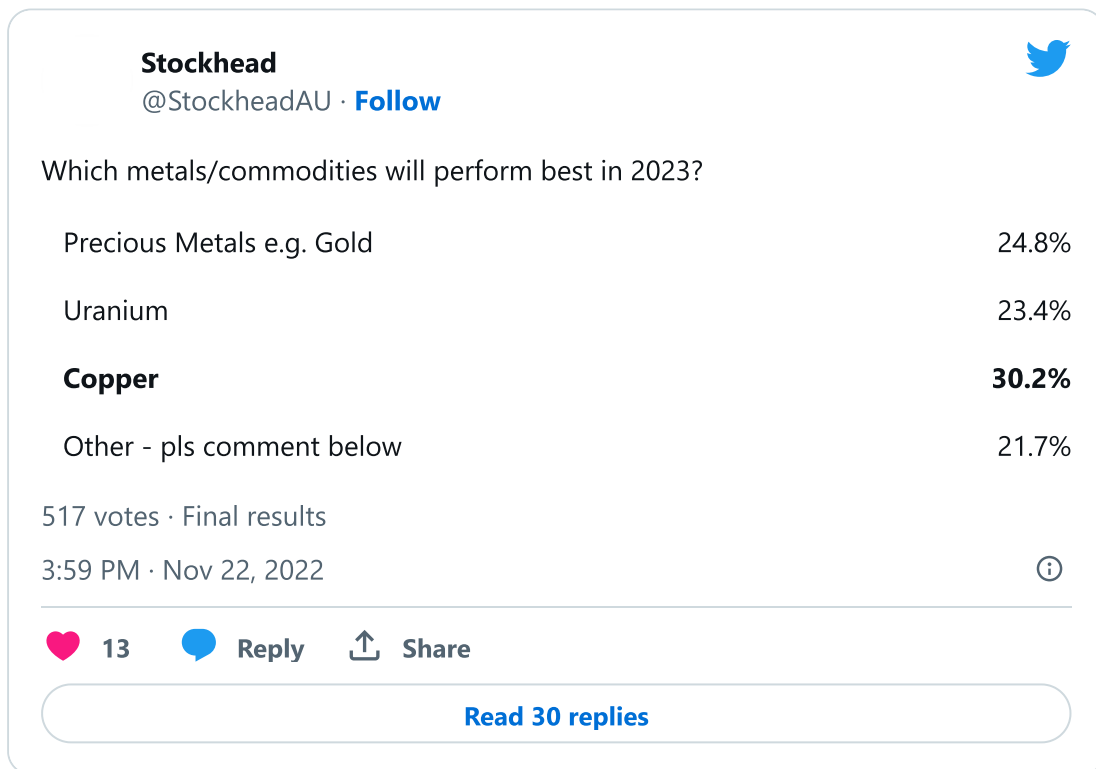
But get there we just about did. And in an unusual quirk of the way time and the Gregorian calendar works now we get to do it all again for one more miserable year.

Need to find some solace in these times? Dream peacefully about just how good your favourite commodity class could be in the next 12 months.

We put the question out to get your take on which commodities are looking the brightest in the Year of our Lord 2023.

**What will be the one commodity to rule them all in 2023?**





To recap the thoughts of you, 517 of the smartest, wittiest and best engaged ASX investors (maybe, maybe not because you're here, with us, on *Stockhead*) 30.2% reckon it's copper's time to shine, with precious metals like gold and silver and uranium also strongly supported.

Over 20% of you think other commodities will win out the day, with lithium still strongly favoured among our responses despite hitting all time highs — and really price levels beyond the wildest dreams of producers — in 2022.

Some were talking their own book.



Pic: Twitter

We see you \$LMG.

We've heard what you think. But we also put the call out to some of the mining and investment sector's top experts and fundies for their best commodity ideas for 2023.

## Niv Dagan – Peak Asset Management executive director

**Commodities:** Graphite, phosphate, uranium

**Companies:** Volt Resources, Avenira, Terra Uranium

Niv Dagan says graphite has a “huge supply demand deficit and is the biggest input into batteries”.

His pick **Volt Resources (ASX:VRC)** owns the operating Zavilevsky mine in Ukraine, where operations restarted in August.

It also has an MoU with 24M Technologies, providing a pathway to supply coated spheronised purified graphite to 24M licensees like Volkswagen, Freyr, Kyocera and Fujifilm.

His phosphate bet, **Avenira (ASX:AEV)**, owns the Wonarah phosphate project in the NT and is seeking to lock into the growing market for lithium-iron-phosphate batteries.

LFP cathode batteries have a lower energy density than traditional nickel-cobalt-manganese cathodes, but the materials are much cheaper, opening a larger consumer EV market in China.

“Tesla already using (LFP) in half its fleet, LFP (is) stronger, safer and cheaper,” Dagan says.

“Also applications in fertiliser which is a high-growth area.”

Avenira has a ‘tripartite non-binding MoU’ in relation to Wonarah with the NT Government and LFP cathode manufacturer Aleees to jointly develop a cathode plant in Darwin.

**Terra Uranium (ASX:T92)** owns high grade exploration assets in Canada's Athabasca Basin and recently listed at 20c.

“Recent field program has confirmed conductors and drill program being planned, great management and board,” Dagan says.

The Athabasca Basin is home to some of the world's largest and highest grade yellowcake deposits, such as Cameco's Cigar Lake and McArthur River.

## VRC, AEV and T92 share prices today:

VRC Volt Resources Ltd			
Mkt Price <b>\$0.012</b> <b>+0.001 +9.1%</b> 2:38 pm	High <b>\$0.012</b>	Open <b>\$0.011</b>	Volume <b>2,014,254</b>
	Low <b>\$0.011</b>	Prev. Close <b>\$0.011</b>	Turnover <b>\$23,576</b>
1 mth 3 mths 1 yr 2 yrs 5 yrs 10 yrs			
Click for other stocks			
VRC AEV T92			

## Gavin Wendt – MineLife Analyst

**Commodities:** Gold, battery materials

**Companies:** Anova Metals, PolarX, Great Boulder Resources, Altech Chemicals, RareX, DevEx Resources

Like almost a quarter of our survey respondents, veteran resources analyst Gavin Wendt is bullish on gold.

Currently trading around US\$1800/oz, he says there is ‘growing consensus’ the worst is behind the yellow metal as the trajectory of interest rate hikes begins to turn.

Wendt’s picks in the space include \$25 million capped Anova Metals (ASX:AWV), which just agreed to acquire the 945,000oz Golden Dragon and Fields Find projects in WA, alongside its

Big Springs project in the American gold capital of Nevada, where it boasts 16Mt at 2g/t for 1.03Moz.

**PolarX (ASX:PXX)** has a market cap of only \$7m and holds the majority of the Alaska Range project in south-central Alaska.

That includes the Zackly skarn deposit, comprising 4Mt at 1.1% copper and 1.6g/t gold from surface, along with the Caribou Dome sedimentary copper deposit, which hosts a JORC2-12 compliant resource of 2.8Mt at 3.1% copper. Outside of those it also owns the Humboldt Range gold project in Nevada.

Wendt also likes \$38 million capped mid-west gold explorer Great Boulder Resources and its Side Well project near historic Meekatharra.

“The Mulga Bill prospect at Side Well is continuing to deliver a series of extremely high-grade gold intersections, demonstrating its potential to be a company-making deposit in the medium-term,” he says.

Wendt also sees markets turning to focus on the medium to longer term supply side deficits emerging in battery markets.

He rates high purity alumina stock **Altech Chemicals (ASX:ATC)**. Wendt says its JV with German battery institute Fraunhofer to commercialise an alumina solid state battery represents a “potentially game-changing” alternative to metals intensive lithium-ion batteries.

Wendt also likes rare earths explorer **RareX (ASX:REE)**, which owns the 18.9Mt at 1.15% TREO Cummins Range project with 147m kilos of rare earths oxides, and Tim Goyder backed **DevEx Resources (ASX:DEV)**, one of a number of companies exploring for nickel, copper and PGEs around the Julimar discovery made by Goyder’s now legendary explorer **Chalice Mining (ASX:CHN)**.

**ATC, REE, DEV, PXX, AWW and GBR share prices today:**

ATC Altech Batteries Ltd			
Mkt Price <b>\$0.085</b>	High <b>\$0.0855</b>	Open <b>\$0.085</b>	Volume <b>1,280,939</b>
0.00 0 2:37 pm	Low <b>\$0.085</b>	Prev. Close <b>\$0.085</b>	Turnover <b>\$109,145</b>
<p>1 mth 3 mths 1 yr 2 yrs 5 yrs 10 yrs</p> <p>Click for other stocks</p> <p>ATC REE DEV PXX AWV GBR</p>			

## John So – VP Capital co-founder and portfolio manager

Commodities: Copper, lithium

Companies: Sandfire Resources, 29Metals, Allkem, Core Lithium, Lontown Resources

VP Capital’s John So likes commodities closely linked to net zero emissions targets.

He says: “Significant amounts of copper will be required in most hardware and infrastructure that the world needs to achieve (the) net zero target.”

“This will drive demand. Most of the quality higher grade large copper mines in the world have already been discovered which will limit supply.

“You’re also buying copper as a proxy for a relaxation of China Covid-19 policies in time.”

With OZ Minerals (ASX:OZL) likely off the table once its \$9.6 billion takeover by BHP (ASX:BHP) is complete, So is looking for scale and likes Sandfire Resources (ASX:SFR), which is looking to ramp up to over 100,000t of copper a year through its MATSA mine in Spain and

Motheo development in Botswana, and [29Metals \(ASX:29M\)](#), owner of the Golden Grove and Capricorn operations in Australia.

Meanwhile, So expects EV adoption to again surprise to the upside in 2023.

“Despite weaker economic conditions and chips shortage, we have generally seen very strong Chinese and European demand,” So says.

“While lithium commodity prices have run very high, they will likely be sustainable as long as government subsidies for electric vehicles remain throughout 2023.”

[Allkem \(ASX:AKE\)](#), owner of the Olaroz brine and Mt Cattlin spodumene mines, is So’s producer pick, with near-term producer [Core Lithium \(ASX:CXO\)](#) and developer [Liontown Resources \(ASX:LTR\)](#) also on his radar.

## AKE, CXO, LTR, SFR and 29M share prices today:

AKE Allkem Ltd			
Mkt Price <b>\$12.28</b> <b>+0.18 +1.5%</b> 2:44 pm	High <b>\$12.37</b>	Open <b>\$12.06</b>	Volume <b>3,280,504</b>
	Low <b>\$11.97</b>	Prev. Close <b>\$12.10</b>	Turnover <b>\$39,978,910</b>
1 mth 3 mths 1 yr 2 yrs 5 yrs 10 yrs			
Click for other stocks			
AKE CXO LTR SFR 29M			



# Hedley Widdup – Lion Selection Group

**Commodities:** Cash, gold

**Companies:** Great Boulder Resources, Legacy Minerals

In a volatile market Hedley Widdup of the mining investment clock fame says two traditional pillars are his go-tos: cash and gold.

“In a market that is exhibiting strong volatility and the gaze into the future by markets seems to contain more optimism than pessimism as to how key themes like inflation might play out, holders of cash have huge optionality,” he said.

“There has been an expectation that gold should do well out of a crisis.

“The markets haven’t really priced a crisis yet, and maybe they won’t. If they do, I think gold will be a strong performer as the dust settles. So it’s one to watch because it could still weaken, but would be an early and strong recoverer.”

“Talking my own book” Hedley notes his own Lion Selection Group (ASX:LSX) will be getting the final settlement on the sale of a stake in an Indonesian gold project in February.

He also views Great Boulder, which Widdup holds, as a strong prospect, drilling and hitting gold on ground surrounded by hungry mills in WA.

He also likes the look of Legacy Minerals (ASX:LGM), which Widdup says he doesn’t hold, which boast an “epithermal system that needs drilling” in New South Wales’ gold and copper rich East Lachlan Fold Belt.

**LSX, LGM and GBR share prices today:**

LSX Lion Selection Group Ltd			
Mkt Price <b>\$0.475</b>	High <b>\$0.485</b>	Open <b>\$0.485</b>	Volume <b>36,251</b>
0.00 0 2:18 pm	Low <b>\$0.475</b>	Prev. Close <b>\$0.475</b>	Turnover <b>\$17,291</b>
<p>1 mth 3 mths 1 yr 2 yrs 5 yrs 10 yrs</p> <p>Click for other stocks</p> <p>LSX LGM GBR</p>			

## Warwick Grigor – Far East Capital chairman

**Commodities: Plenty, but gold, copper, antimony and energy get a mention.**

**Companies: Emerald Resources, Cyprium Metals, Celsius, Hillgrove Resources, West Wits Mining, Nagambie Resources and Theta Gold Mines**

Long-time resources doyen Warwick Grigor says Benchmark Mineral Intelligence has been “wildly bullish on graphite” but isn’t convinced of the investment thesis and sees stock selection as “difficult and dangerous”.

“There are plenty of new mines on the drawing board, so a strong supply response is available. Secondly, graphite in batteries is mature technology at its theoretical limits,” he says.

“Investors will be more inspired by the next generation of anodes that either don’t rely on graphite at all, or make it perform better with additional elements.

“So far there is not enough information in the markets for us to identify which technologies or super anodes are going to work technically, or economically. All these companies are promoting

but none are yet delivering. That makes stock selection both difficult and dangerous.”

He also says “it is hard to see lithium prices going much higher”.

“In fact, the price has come off in the last few days. Demand will be strong for some time, in fact indefinitely, but we have seen the most aggressive phase of the price cycle,” Grigor says.

Grigor warns against the idea of picking a commodity class to last the year, warning the market has trouble holding any one thematic for more than three or four months.

“A year is a long time in the market nowadays. To pick a year, say 12 months, gives plenty of opportunity to be both right and wrong, multiple times,” he said.

But he does see continued upwards pressure on oil and gas prices, which will in turn stir investment in commodities essential for renewable energy as they become more cost competitive against fossil fuels, with commodities like copper, rare earths and antimony, where the West wants to address its dependency on Chinese supplies.

“We definitely need more copper and traditional metals alongside the emerging battery metals, but the future of many of the latter are still loose with developing technology,” he said.

In gold, Grigor likes **Emerald Resources (ASX:EMR)**, owner of the thus-far reliable Okvau mine in Cambodia and potentially two more in the pipeline, and two multi-million ounce gold stocks **West Wits Mining (ASX:WWI)** and **Theta Gold Mines (ASX:TGM)**.

“The economics look great as the first production dates are approaching. Country risk is overstated,” Grigor says. “But, there are many other gold stocks that will be good performers as well.”

Rare critical mineral antimony is another interesting area, with a speculative play **Nagambie Resources (ASX:NAG)** on Grigor’s radar.

A critical mineral with a largely Chinese supplier base, antimony is used as a hardening agent in lead for lead-acid batteries, semiconductors and as a fire retardant among other things, and has been associated with gold discoveries in Victoria. Grigor says it will become “increasingly important but there are very few stocks to play.”

“The obvious, speculative one is Nagambie following its release of high grade intercepts today, in Victoria,” he said.

“It has received approaches from strategic buyers already and it has only just announced the discovery. Siren is another one with its project in New Zealand. More will come along in time.”

Copper is also on his radar, with [Cyprium Metals \(ASX:CYM\)](#), [Celsius Resources \(ASX:CLA\)](#) and [Hillgrove Resources \(ASX:HGO\)](#) among the small caps Grigor is looking at. [Check out more of Grigor’s copper thoughts here.](#)

“Remember that when I pick stocks I tend to be risk preferring and ahead of the curve,” Grigor notes. “I prefer stocks that have been overlooked or not yet discovered by the market, where I see that there is a good news flow coming that could stimulate fresh buying.”

## CYM, CLA, HGO, NAG, TGM, WWI and EMR share prices today:

CYM Cyprium Metals Ltd			
Mkt Price	High	Open	Volume
<b>\$0.11</b>	–	–	<b>0</b>
<b>0.00</b> 0	Low	Prev. Close	Turnover
7:00 am	–	<b>\$0.11</b>	<b>\$0</b>
1 mth 3 mths 1 yr 2 yrs 5 yrs 10 yrs			
Click for other stocks			
CYM CLA HGO NAG TGM WWI EMR			

**Davide Bosio – Shaw and Partners WA state manager and Director Corporate Finance**

**Commodities: Gold, rare earths**

## **Companies: Black Cat Syndicate, Dreadnought Resources**

Shaw and Partners' Davide Bosio says gold continues to remain strong after all these years.

"Gold has been my pick for many years given its place in the world and the ongoing effects of global uncertainty, geopolitical issues, real interest rates and limited new supply of the precious metal," he said.

"Gold producers have been able to make relatively strong margins given current gold prices and the ability to replenish production with new mineable ounces is a theme that can propel M&A activity in the sector going forward."

**Black Cat Syndicate (ASX:BC8)** recently bought the Coyote and Paulsens mines from **Northern Star Resources (ASX:NST)**, and Bosio says he's a supporter and shareholder of the company in the junior gold space.

Rare earths are also emerging on their alignment with key modern investing themes, Bosio thinks.

"REE has emerged very strongly as a result of two key themes, 1) Electrification/Renewable energy thematic, 2) Global dependence on China as the major producer and supplier of REE and related products such as magnets (key in the #1 theme above)."

"The challenge with REE has been historically in relation to metallurgy and processing solutions and China has been the dominant buyer of production. With the strength in REE pricing, particularly Nd-Pr (used in magnet manufacturing), explorers and producers have been incentivised to search for new and better deposits and options.

"With other markets opening up (particularly in the US and Europe) as viable commercial buyers of REE, the rush is now on for the sector to meet the growing demand opportunity."

**Lynas Rare Earths (ASX:LYC)** is already generating strong cash flow as the largest producer outside China and ASX 100 mineral sands producer **Iluka Resources (ASX:ILU)** has begun development of a \$1.2 billion Canberra-backed refinery at its Eneabba project near Geraldton.

Bosio is looking at the junior end, where he is a shareholder of **Dreadnought Resources (ASX:DRE)**, exploring next door to **Hastings Technology Metals' (ASX:HAS)** Yangibana deposit.

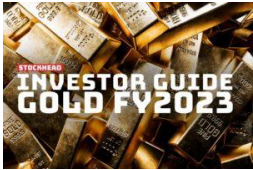
"They are strategically located next door to Hastings (ASX:HAS) and have made numerous discoveries which are being aggressively drilled at present," Bosio says. "The company is very

well located and will commence growing resources in the weeks/months ahead which will be driven by exploration activity.”

DRE and BC8 share prices today:

DRE Dreadnought Resources Ltd			
Mkt Price	High	Open	Volume
\$0.079	\$0.0815	\$0.081	7,546,293
-0.002 -2.5%	Low	Prev. Close	Turnover
2:43 pm	\$0.078	\$0.081	\$601,332
1 mth 3 mths 1 yr 2 yrs 5 yrs 10 yrs			
Click for other stocks			
DRE BC8			

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**ASX: DRE**

Dreadnought Resources

**ASX: BC8**

Black Cat Syndicate

**ASX: VRC**

Volt Resources

**ASX: DEV**

DevEx Resources

**ASX: CLA**

Celsius Resources

**ASX: SFR**

Sandfire Resources

**ASX: PXX**

PolarX

**ASX: CXO**

Core Lithium

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**ASX: AWV**

Anova Metals

**ASX: ATC**

Altech Chemicals

**ASX: LTR**

Liontown Resources