

Gold continues to dominate

Last week we saw the merging of the trade war with the currency war as China chose to use the less acute method of allowing the Yuan to fall to the lowest level against the US\$ in 10 years; less acute but equally as effective. The A\$ continued to fall, keeping our mining exporters in the game.

Donald Trump might be having fun in his stoush with China and he seems to be prepared to continually up the ante, but where will all this end? The rest of the world is watching with some concern.

Gold price had a week of new highs

The week opened with a bang as the gold price shot through the US\$1,450/oz barrier and the Dow went into free fall. Gold kept rising in subsequent days, punching through the US\$1,500/oz level while the Dow vacillated.

Why should gold be so strong? There are plenty of suggestions, including the impact of low (or negative) interest rates and growing geopolitical uncertainty that we are witnessing. However, the bottom line seems to be that it is no longer an argument, but a consensus. Enough people are singing the same tune and the amount of gold available to trade is much less than it was 10 or 20 years ago, relative to the total supply of money. As far as producers are concerned, there isn't much incentive to sell gold forward due to the low contango. So in the absence of co-ordinated selling promoted by the Fed, there isn't enough gold to go around at low price levels. Hence the surge.

The party is over for iron ore

The iron ore price was crunched, hitting a level 20% below its high in July, leading to the view that the recent slump of BHP, RIO and Fortescue from their recent share price highs will not be reversed in a hurry.

Graphite weakness is taking its toll

Last week we dropped Battery Minerals from our chart coverage as the shares just move lower and there seems no chance for redemption. Originally we picked it up when David Flanagan took over as top dog, thinking that if anyone could get the project up and going it would be he, following on from his success at Atlas Iron. But alas, the task has proven to be one step too far, even for him.

We have just seen Flanagan move aside from the CEO position to become non-executive chairman. While this doesn't mean he can just sit back and take it easy, because the chairman's role is very important whether it is executive or non-executive, it does send a signal. In fact, investors should always take note of board and management changes in companies as they often allude to something of note. Often you have to read between the lines to see what is really being said.

There are too many graphite hopefuls out there, competing for investors' attention, and there is no shortage of the material itself, despite what the bulls like to tell us. It certainly isn't a case of low hanging fruit.

Whilst at Diggers I had a session with Shaun Verner, CEO of Syrah. He seemed quite pleased with the performance of the Balama plant and confident about the future, but there was still the concern of whether or not the market could absorb 100% of its production at present. If Syrah is not selling everything just now it suggests that there is no room for other suppliers in the foreseeable future. Hence, we will look at other graphite stocks under chart coverage and prune the positions in the coming weeks.

Diggers & Dealers - some early feedback

The mood at Diggers and Dealers this year was understandably positive given the strength of the gold price last week (though the pubs were half empty at midnight on the last night). We are finally seeing the yellow metal running free as more and more investors are agreeing that it is the best place to be. Almost everyone feels underweight in gold and there has been an urgency to get set.

After every Diggers everyone asks me what I saw that I liked best. It is obviously impossible to see everything so I always have to preface my answer with a caveat.

Last year the best looking company was Bellevue Gold with the old Bellevue Gold Mine. It has now hit the 1.8 Moz milestone with an impressive 11 gpt resource grade and it received the award for the Best Emerging Company for 2019. I spent a few hours with the geologists on this one, achieving a detailed understanding of the geology and the exploration methodology in the process. It really is an exciting story. There could easily be 3-5 Moz of high grade gold before the enthusiasm starts to lose momentum. I'll do something more detailed next week.

The other two most interesting new stories this year that I saw were Red 5 (RED) and Saturn Metals (STN). Red 5 has been around for a while and the shares have tripled in recent months, so one could be tempted to say it has had its run, but there is an exciting new geological story that needs to be factored in. I haven't done any real analysis but Keith Goode has, and he is convinced that there is some tremendous upside independent of the gold price. He has been around long enough to know the good from the bad and the ugly, so he is worth listening to. Go to his website at www.eagleres.com.au and read his detailed research note.

Disclosure: Interests associated with the author purchased shares in Red 5 last week.

Saturn is a relatively new company that was spun out of Peel Mining. A few months ago you would have said that it had a useful but low grade gold resource at Apollo Hill, of 20.7 Mt at 1 gpt, containing 685,000 oz to a depth of 180m (remember that the greatest leverage to the higher gold price is with low grade deposits, where the projected operating costs are high).

The first indication that the goal posts were moving came with the announcement on 16 April, when Saturn said that it had defined a new, higher grade lode in the hanging wall. The best Intercept was 10m at 5.78 gpt. Subsequent ASX releases vindicated the Company's enthusiasm with more good intercepts demonstrating higher grades. The higher grade zone has now been identified over an 800m strike length with a 500m width, hosting multiple stacked gold zones.

The share price has doubled over recent months, giving it a market capitalisation of \$24m (which is still cheap). Continued drilling and the likelihood that the resource will exceed 1 Moz, whilst the grade will also improve, should be enough to keep the uptrend intact.

The register is quite tight with Peel Mining holding 31.5%. Cash was \$2.75m at 30 June, and expenditure is expected to be \$1.1m in the current quarter. Management can be viewed as competent and conservative. Thus it may be suitable for investors who want exploration upside to the stronger gold market, whilst avoiding the more spivvy promoters

A new generation of Luddites in the making

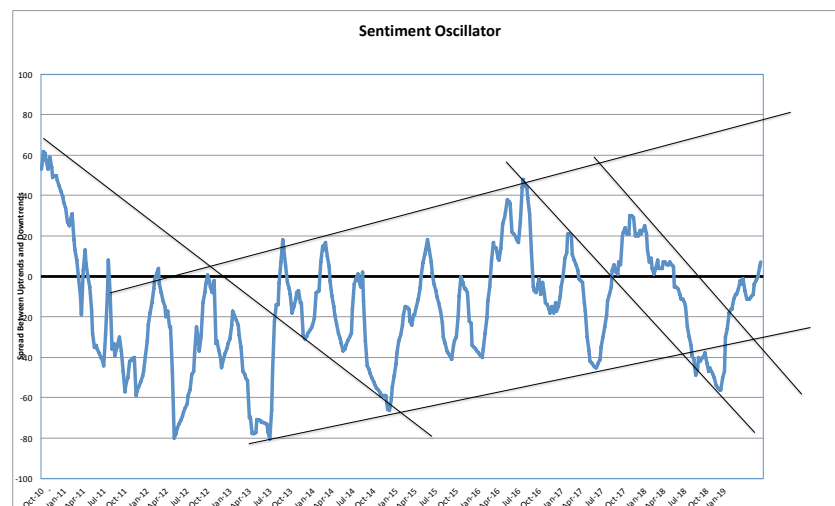
If you had said to me 20 years ago that the next generation will be dominated by Luddites who want to start reversing the trend of the last few thousand years of advancement of mankind and economic development in favour of regression, I would have just laughed. How could anyone be that stupid? After all, we are at a point in history when human suffering is at its lowest, when disease and death are at their most manageable levels, and technological advancements have overcome most of the issues

confronting mankind. Isn't this what we commonly know as progress?

So, how do we explain the adoption of climate change hysteria that is crippling the thought processes of the youth - the generation that we would traditionally look to for the next chapter of advancement? How is it that protestations of schoolgirls in Sweden are leading to front page commentary regarding "flight shaming" with airlines being castigated for contributing to this apparently terrible state of affairs? (If it wasn't for airlines transporting all the climate change activists around the world, there wouldn't be a Paris Treaty).

We are seeing European governments jumping on the bandwagon with the Dutch introducing a tax on airline flights - probably the first of many. Do the governments really care, or is this just another tax grab? Though, I suppose, they need to raise money to pay for all the subsidies for alternative power.

The irony of all of this is that we already have the solution to climate change (man-made climate change, that is). It is called nuclear power. If there was any real economic and scientific sense in the debate the climate change activists would be advocating a strategic shift towards nuclear power stations. We have the technology but it is being ignored by the most hypocritical collection of green activists that would prefer to mislead the younger generation, brainwashing them to adopt a path of assured destruction of centuries of progress. These people dovetail well with our world of inept politicians who are unable to demonstrate real leadership and courage, and are better known for aggravated incompetence.














































Sentiment Oscillator: Sentiment continued to improve over the week, notwithstanding the downward movements of the leading iron ore stocks. It was all about the influence of the gold price. There were 42% (37%) of the charts in uptrend and 35% (32%) in downtrend on Friday's close.

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	heavy fall	
Metals and Mining	XMM	correcting lower	
Energy	XEJ	still under downtrend	
Stocks	Code	Trend Comment (updated comments in bold)	Main Interest
Adriatic Resources	ADT	correcting lower	zinc
Aeon Metals	AML	back in downtrend	copper + cobalt
Alacer Gold	AQG	new high	gold – production
Alkane Resources	ALK	stronger on rare earth thematic	gold, zirconia
Acacia Resources	AJC	Sideways at the bottom	coal
Alchemy Resources	ALY	breached downtrend	nickel, cobalt
Alicanto Minerals	AQI	back to support line	gold exploration
Allegiance Coal	AHQ	new high	coal
Alliance Resources	AGS	still down	gold exploration
Altech Chemicals	ATC	down	industrial minerals - synthetic sapphire
Apollo Consolidated	AOP	rising	gold exploration
Arafura Resources	ARU	down	rare earths
Argent Minerals	ARD	new uptrend	silver
Aurelia Metals	AMI	still falling	gold + base metals
AusTin	ANW	new low	tin, cobalt
Australian Bauxite	ABX	breached uptrend	bauxite
Australian Potash	APC	continuing with uptrend	potash
Australian Mines	AUZ	strong rise, but heavy pullback	cobalt/nickel
Australian Vanadium	AVL	new low	vanadium
BHP	BHP	heavy slump	diversified, iron ore
Base Resources	BSE	pullback	mineral sands
Bathurst Resources	BRL	down	coal
BBX Minerals	BBX	breaching uptrend	gold exploration
Beach Energy	BPT	breached ST downtrend	oil and gas
Beacon Mining	BCN	new high	gold production
Bellevue Gold	BGL	near high	gold exploration
Berkeley Energia	BKY	in secondary downtrend	uranium
Blackstone Minerals	BSX	breached downtrend	gold, cobalt
Bounty Coal	B2Y	still in downtrend	coal
Breaker Resources	BRB	drifting	gold exploration
Broken Hill Prospecting	BPL	steeply higher	minerals sands
Buru Energy	BRU	testing uptrend	oil
Buxton Resources	BUX	continuing down	nickel exploration
Cardinal Resources	CDV	breached downtrend	gold exploration
Cassini Resources	CZI	sideways	nickel/Cu expl.
Celsius Resources	CLA	falling back to lows	copper/cobalt










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Chalice Gold	CHN		new uptrend	gold exploration
Chase Mining	CML		uptrend	nickel/copper/PGE
Chesser Resources	CHZ		falling	gold exploration
Cobalt Blue	COB		new lows	cobalt
Dacian Gold	DCN		strong rise	gold
Danakali	DNK		sideways to lower	potash
Davenport Resources	DAV		down	potash
Egan Street Resources	EGA		under takeover offer	gold
Emerald Resource	EMR		sideways	gold
Evolution Mining	EVN		new high	gold
Exore Resources	ERX		rising	gold exploration
FAR	FAR		sideways at lows	oil/gas
First Graphene	FGR		uptrend	graphene
Fortescue Metals	FMG		breached uptrend	iron ore
Galaxy Resources	GXY		new low	lithium
Galena Mining	G1A		sideways movement	lead
Galilee Energy	GLL		new high	oil and gas, CBM
Gold Road	GOR		new high	gold
Graphex Mining	GPX		drifting lower	graphite
Heron Resources	HRR		new low	zinc
Highfield Resources	HFR		surge to new high then heavy pullback	potash
Hillgrove Resources	HGO		sideways	copper
Hipo Resources	HIP		at lows	battery metals
Iluka Resources	ILU		down	mineral sands
Image Resources	IMA		pullback	mineral sands
Independence Group	IGO		rising	gold, nickel
ioneer (was Global Geoscience)	INR		down again	lithium
Jervois Mining	JVR		sideways at lows	nickel/cobalt
Jindalee Resources	JRL		bounced off support line	lithium
Karoo Gas	KAR		heavy retracement	gas
Kasbah Resources	KAS		bouncing off its low	tin
Kibaran Resources	KNL		down	graphite
Kin Mining	KIN		new uptrend forming	gold
Legend Mining	LEG		bouncing	nickel exploration
Lepidico	LPD		down	lithium
Lithium Australia	LIT		new low	lithium
Lucapa Diamond	LOM		continuing downtrend	diamonds
Lynas Corp.	LYC		bounced off support line	rare earths
Mako Gold	MKG		rising off lows	gold exploration
Marmota	MEU		rising	gold exploration
MetalsX	MLX		at lows	tin, nickel
Metro Mining	MMI		testing downtrend	bauxite
Mincor Resources	MCR		new uptrend forming	gold
Musgrave Minerals	MGV		breached downtrend	gold exploration

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Myanmar Minerals	MYL		uptrend breached	zinc
Nelson Resources	NES		new low	gold exploration
Neometals	NMT		continuing down	lithium
Northern Cobalt	N27		down again	cobalt
Northern Minerals	NTU		surged to reach resistance line	REE
Northern Star Res.	NST		pullback	gold
NTM Gold	NTM		rising again	gold exploration
Oceana Gold	OGC		breaching downtrend	gold
Oklo Resources	OKU		bounced off lows	gold expl.
Orecorp	ORR		rising again	gold development
Oro Verde	OVL		rising	rare earths
Orocobre	ORE		strong bounce	lithium
Oz Minerals	OZL		rising again	copper
Pacific American Holdings	PAK		sideways	coal
Pantoro	PNR		down	gold
Panoramic Res	PAN		testing downtrend	gold , nickel
Peak Resources	PEK		heavy pullback	rare earths
Peel Mining	PEX		still down	copper
Peninsula Energy	PEN		breached uptrend	uranium
Pensana Metals	PM8		surge to high	rare earths
Perseus Mining	PRU		surge to new high	gold
Pilbara Minerals	PLS		down	lithium
PNX Metals	PNX		new uptrend forming	gold, silver, zinc
Polarex	PXX		surge higher	polymetallic exploration
Prodigy Gold	PRX		new high	gold exploration
Ramelius Resources	RMS		new high	gold production
Real Energy	RLE		new low	gas
Red5	RED		new high	gold
Red River Resources	RVR		good rally	zinc
Regis Resources	RRL		pullback	gold
Resolute Mining	RSG		surge higher	gold
RIO	RIO		short term down	diversified, iron ore
Salt Lake Potash	SO4		new high	potash
Saracen Minerals	SAR		surged higher	gold
St Barbara	SBM		surge into new uptrend	gold
Sandfire Resources	SFR		down	copper
Santos	STO		into uptrend	oil/gas
Saturn Metals	STN		uptrend	
Sheffield Resources	SFX		rising again	mineral sands
St George Mining	SGQ		testing downtrend	nickel
Sipa Resources	SRI		recovered, to sideways pattern	general exploration - Ni,Cu, Co, Au
Stanmore Coal	SMR		new high	coal
Strandline Resources	STA		at highs	mineral sands
Sundance Energy	SEA		heading lower	oil/gas

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Syrah Resources	SYR		free fall on capital raising	graphite
Talga Resources	TLG		down	graphite
Technology Metals	TMT		sideways	vanadium
Tiger Realm	TIG		surged higher, at resistance line	coal
Triton Minerals	TON		breached secondary downtrend	graphite
Troy Resources	TRY		testing downtrend	gold
Vango Mining	VAN		breached downtrend	gold
Vector Resources	VEC		suspended	gold
Venturex	VXR		down	zinc
Vimy Resources	VMY		down	uranium
Volt Resources	VRC		sideways	graphite
West African Resources	WAF		improving	gold
Westgold Resources	WGX		uptrend	gold
Westwits	WWI		down	gold
Western Areas	WSA		surge out of downtrend	nickel
Whitebark Energy	WBE		rising	oil and gas
Whitehaven Coal	WHC		down	coal
Yandal Resources	YRL		sideways	gold exploration
Zinc Mines of Ireland	ZMI		breached downtrend	zinc
Totals	42%	60	Uptrend	
	35%	50	Downtrend	
		143	Total	

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	32	22.4%	
Gold Exploration	19	13.3%	
Oil/Gas	9	6.3%	
Graphite	6	4.2%	

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Nickel	10	7.0%	
Coal	8	5.6%	
Lithium	8	5.6%	
Mineral Sands	6	4.2%	
Zinc/Lead	7	4.9%	
Potash/Phosphate	5	3.5%	
Copper	5	3.5%	
Cobalt	4	2.8%	
Rare Earths	6	4.2%	
Tin	3	2.1%	
Iron Ore	3	2.1%	
Uranium	3	2.1%	
Bauxite	2	1.4%	
Vanadium	2	1.4%	
Silver	1	0.7%	
Diamonds	1	0.7%	
Other	3		
Total	143		

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