

News flow from a number of companies

Monday was a bad day for many spec stocks with almost everything falling. In most cases it was a tick down rather than anything more dramatic, but it was right across the board. Was it because of a lack of buyers as we approach the Xmas shutdown? Was it because there have been just too many capital raisings that sucked out too much money, or was it because the market is just tiring of some of the themes that have been active for most of 2021? These could have all been contributing factors. Remember that unless new buying keeps popping up, a share price in any particular stock is destined to fall.

Nevertheless, the rest of the week saw a good recovery in share prices as most stocks recaptured earlier levels. The trouble is, many of the moves took the prices back to to resistance points. They need to pierce through these to reverse expectations that the next move could be another leg down. We are in a phase that will probably see further easing of a number of share prices.

High power prices interruption zinc supply ...

Higher gas prices have caused the suspension of operations at a number of Europe's smelters. Nystar has slashed production by 50% due to the rising power costs. Glencore has suspended zinc production at its 100,000 tpa plant, citing high power costs. Fundamentals are looking good for zinc.

...and copper and nickel stocks tighten

Reuters reported that Shanghai copper stocks were at 36,110 tonnes, down 84% from May highs of 229,179 tonnes. Chinese copper imports are now at their highest since May as industrial production is being hit by power shortages. Similarly, LME nickel stocks were at 111,000 tonnes in November, down from 265,000 tonnes in May. Chinese nickel imports were 96% in Jan-Oct, compared to last year. Domestic production by Jinchuan has been hit by maintenance closures.

Another nickel discovery for Azure Minerals

We have previously mentioned Azure (AZS) with regards to VC-07 East and West nickel discoveries at the Andover Project (60%) in the West Pilbara region of WA. As good as these have been, with both massive and disseminated nickel mineralisation, it is the potential for many more deposits that feeds our enthusiasm. So far it has a 100% success rate in testing EM anomalies. This latest release at Skyline adds to the success rate with the first three drill holes intersecting nickel and copper mineralisation. Assays are pending.

Disclosure: Interests associated with the author own shares in Azure Minerals

West Wits signs a good JV with RIO

When we have talked about WWI it has been in the context of its large gold resource in South Africa, but closer to home it has been gently advancing a promising lease in the Pilbara. The prospectivity of the Mt Cecelia ground has been confirmed with WWI announcing a \$10m farm-in agreement with RIO that could see that giant earning an 80% interest in the ground. Given that RIO is only interested in very large projects, a 20% interest could still be worth a lot of money. Its Winu discovery is now up to 741 Mt at 0.5 gpt and 0.45% Cu (12 Moz gold plus copper). This is an example of what the region is capable of hosting.

In true RIO style, the agreement gives it quite a few years in which to spend the money, so patience is needed. Nevertheless, we take great encouragement from this deal, announced just before the closure of the 1 for 6 entitlement issue.

Disclosure: Interests associated with the author own shares in West Wits and FEC has received capital raising fees.

Manhattan delivers good gold intercepts

Last week Manhattan Corporation (MHC) reported 20 RC drill holes with the best intercepts being 8m at 40.5 gpt and 16m at 13.9 gpt from the Main Zone of the New Bendigo Project. Don't let the name confuse you though. It is not in Victoria, but in the far NW of NSW near Cameron's Corner. This remote area was first worked by old timers in the 1880s but it has never hosted a major mining operation. It is well known by fossickers who have frequently found near-surface nuggets, but before Manhattan picked 160 km of contiguous strike length it has never really been tested by modern explorers.

As we opined in earlier commentaries, having such a large tract of ground can be a double edged sword. Where do you start? You need to get good results early on to keep enthusiasm of shareholders high, but any single program is always going to test only a small part of the potential, and colour expectations thereafter. The risk is that average results might not be enough to encourage shareholders to hang on for the big one.

The above mentioned intercepts are amongst the best we have seen in this project, demonstrating high grade zones within lower grade horizons - typical of many goldfields. The 40% jump in the share price on this release was warranted, as the shares had been dragging along the 1¢ floor for a while. Where it goes from here will depend upon continuing news flow and a better understanding of how it all hangs together. There is still a learning curve ahead of the exploration team and it will take time and money, but longer term shareholders can feel confident that is definitely

a project of merit that could host large, good grade gold deposits. It is a matter of doing the work. The \$21m market capitalisation continues to be low, not factoring in exploration success yet. There was a cash balance of \$3.8m at 30/9/21, so there should not be any urgency to raise funds immediately.

As a little sweetener, don't forget MHC's Ponton uranium project in WA, 200 km NE of Kalgoorlie. This comprises an Inferred resource of 26 Mt at 300 ppm U₃O₈ for 17.2 Mlb, only 40 km from Vimy Resources' Mulga Rock Project. This wouldn't be economic at today's uranium prices and it would have major political problems in WA, but it may prove to be of some value if the positive swing in uranium sentiment continues.

Perseverance pays off for Rob at Emmerson

Tennant Creek has always been one of my favourite copper/gold fields in Australia due to its propensity to deliver very high grade ore bodies. The trouble is, they tend to be shaped like pencils - limited widths and breadth, but deep extensions - and they are very hard to find. It was over a decade ago that I spent a couple of days with Emmerson's Rob Bills on site, visiting the various prospects and coming away with a very positive impression. However, Tennant Creek was not about to give up its treasures quickly. Rob has learnt this the hard way. So, it was pleasing to see that the RC hole, HERC003 reported last week at the Hermitage Prospect (100% ERM), delivered 117m at 3.38% copper from 75m vertical depth. The higher grade interval was a very impressive 30m at 7.26% copper and 2.69m gpt gold, ending in mineralisation. A diamond trail will test the extensions in the new year.

This was the first drill program hole undertaken by EMR at this prospect, as it has been locked away with Traditional Landowners for a long time. Hole # 2 returned a more modest interval of 18m at 1.4% Cu and 24m at 4.2% Au, including 3m at 17.6 gpt Au and 0.46% bismuth. But note that this was drilled outside of the interpreted breccia that returned the high grades in Hole # 3.

Historically, the Tennant Creek-style orebodies have been found by running magnetic surveys to identify the magnetite bodies that host mineralisation. Over time all the obvious targets have been tested but many other, non-magnetic targets remained. Modern, low cost drone surveys are giving much better resolution survey data now, showing up weaker magnetic targets that are dominated by haematite that have previously been missed. Hermitage is one such target.

This seems to be a breccia pipe with typical Tennant Creek strong zonation features. It starts as ironstone to a depth of 70m, then there is a malachite zone to 160m depth. This is followed by native copper in a supergene zone and then primary chalcopyrite. There seems to be good bismuth and cobalt grades and this generally indicates that there will be high grade gold pods.

Note that Hole 3 was drilled vertically. That means it went straight down the guts of the pipe and the interval is not representative of the mining width, so don't think this is a very wide body offering economies of scale. It will be narrower and very high grade. Companies can be criticised at times for not drilling perpendicular to the dip as the resultant interval can be misleading in terms of width, but there can be legitimate reasons for doing so e.g. where you

have strong vertical control on mineralisation, as you have here, a vertical hole can give good information. Sometimes there can be physical issues with being able to locate the drill rig. As a generalisation drilling down dip is not recommended, but there can be exceptions.

While this could be described as a discovery, it is not quite virginal. Normandy Resources drilled three holes into it back in the 1990s, achieving good hits that included 23m at 6.8 gpt and 3.7% Cu. However, for some reason it didn't follow up on these holes.

Elsewhere, EMR has been working up small, high grade resources at its Chariot and Mauritania prospects in JV with Tennant Consolidated Mining Group. Chariot has been worked up to a 556,200 t at 7.8 gpt for 138,800 oz. We are still waiting for the JORC resource at Mauritania, but this is unlikely to be bigger than 30-50,000 oz. These projects are subject to a JV with TCMG, whereby that partner is providing up to \$10.5m for exploration expenditure, leaving EMR with a useful 6% royalty that could deliver net cash flow of US\$15-20m over the life of an operation.

The success achieved by Emmerson here is a testament to its persistence. The jump in the share price from 7.4¢ to twice this level would seem appropriate, giving a market capitalisation in the order of \$82m. More holes will add to confidence levels, but we can say it has already found something of high value.

Greenvale Mining having a re-run of interest

I chuckled when a client mentioned Greenvale Mining (GRV) the other day as it is a stock that I made good money on in the 1970s when I was funding my university education via share trading. Back then it was a big player in the oil shale boom that promised so much, but delivered so little. The Rundle Twins (Central and Southern Pacific) made fortunes for investors who got involved early, but their project eventually failed. The economics may have been dubious at the time, but I remember there was a real problem with foul smelling air pollution that couldn't be rectified to the satisfaction of the surrounding population. There was also some sort of dispute with financiers from the USA.

So now, it is not about oil shale (because that probably isn't a sexy term anymore), it is about torbanite. From what I can tell, we are still talking about the same stuff in the ground. However, the company is coming at it from a different angle this time, promoting a green power generation model with the aim of being a long term provider of power to the local grid from a 100MW solar and gas fired hybrid power station.

The power station will help the Alpha Project to become carbon neutral and assist the Company in fulfilling its long-term goal of becoming a responsible and sustainable producer of synthetic industrial carbon and bitumen products.

Reading through the update on the \$125-\$200m Alpha Torbanite Project released in September, I see that this is a heavy duty, heavy oils industrial project. There are plenty of similar oil shale deposits in Queensland if you want to go back through the records, so you can't consider the scarcity factor in assessing value. It is all about the management's ability to make it work, but this is no simple mining project. Whether it stacks up on economics requires a lot more

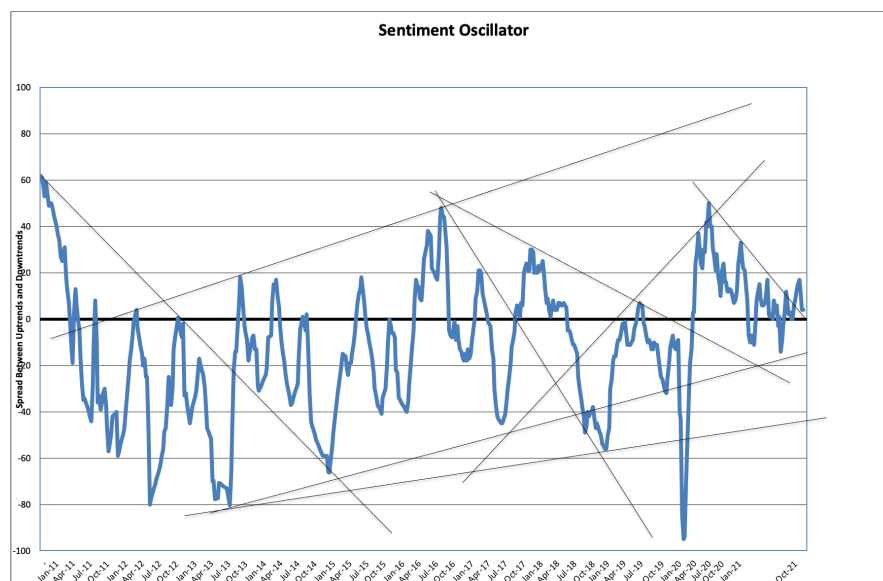
work. Environmental consideration bring yet another level of complications.

Irrespective of what I think, someone must believe in the future as Greenvale has a market capitalisation of \$125m, though it was twice this level in August. Maybe investors have also been buying for the IOCG exploration project in the Georgia Basin.

Trying to squeeze (or retort) oil out of near surface shale rocks is a difficult and dirty process. It was done in many places back in the annals of time to satisfy localised demand, but there are much more elegant and economical ways of recovering oil from deep underground reservoirs today.

Beware of companies that keep going back to the market

We need to be circumspect about companies that keep going back to the market to raise money. Sure, companies need to raise equity capital in order to survive, but those who go back two or three times in a 12 month period need to present a pretty reason for doing so ... other than just feeding the ducks while they are quaking. Each additional issue has to be digested by the market, and this tends to put a cap on the share price.



Sentiment Oscillator: Sentiment was steady over the week. There were 34% (34%) of the charts in uptrend and 30% (30%) in downtrend on Friday's close. There is nothing to complain about.

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	back above support line	
Metals and Mining	XMM	continuing to rise off its lows	
Energy	XEJ	breached support line	
Stocks	Code	Trend Comment (updated comments in bold)	Main Interest
Alpha HPA	A4N	meeting resistance	HPA
Adriatic Resources	ADT	down	zinc, polymetallic
Alkane Resources	ALK	down	gold
Alicanto Minerals	AQI	softer after placement	base metals, silver, gold
Altech Chemical	ATC	strongly higher	HPA, anodes
Alto Metals	AME	sideways	gold exploration
American Borates	ABR	surge higher	borate

*This commentary is provided at no charge and in good faith from sources believed to be reliable and accurate. Far East Capital Ltd directors and employees do not accept liability for the results of any action taken on the basis of information provided or for any errors or omissions contained therein. Readers should seek investment advice from their professional advisors before acting on information contained therein. Please see **Disclosure of Conflicts of Interest** at the end of this commentary.*

American Rare Earths (was BPL)	ARR		breached steepest uptrend	rare earths
Antilles Gold	AAU		testing downtrend	gold
Arafura Resources	ARU		rising	rare earths
Ardea Resources	ARL		sideways through support line	nickel
Aurelia Metals	AMI		testing downtrend	gold + base metals
Australian Potash	APC		heavy fall	potash
Australian Rare Earths	AR3		rising again	rare earths
Auteco Minerals	AUT		back to lows	gold exploration
Azure Minerals	AZS		breached uptrend	nickel exploration
BHP	BHP		new uptrend	diversified, iron ore
Beach Energy	BPT		hit resistance line	oil and gas
Bellevue Gold	BGL		down to recent lows	gold exploration
Benz Mining	BNZ		down	gold
Blue Star Helium	BNL		in a topping formation	gas, helium
BMG Resources	BMG		back to lows	gold exploration
Boab Metals	BML		in a secondary downtrend	silver/lead
Breaker Resources	BRB		heavy fall from highs	gold exploration
Buru Energy	BRU		rallying	oil
Calidus Resources	CAI		rising again	gold
Capricorn Metals	CMM		surge to new high	gold
Caravel Minerals	CVV		down	copper
Celsius Resources	CLA		new low	copper
Chalice Mining	CHN		new high	nickel, copper, PGMs, gold exploration
Chesser Resources	CHZ		softer	gold exploration
Cobalt Blue	COB		heading down	cobalt
Cyprium Metals	CYM		continuing down	copper
Danakali	DNK		long term downtrend	potash
De Grey	DEG		shallow downtrend being tested	gold
Develop Global	VXR		rallying	zinc
E2 Metals	E2M		surge higher, then heavy fall	gold exploration
Ecograf	EGR		surge out of downtrend, then heavy fall	graphite
Element 25	E25		secondary downtrend	manganese
Emerald Resources	EMR		rising again	gold
Euro Manganese	EMN		continuing to fall	manganese
Evolution Mining	EVN		testing downtrend	gold
Firefinch	FFX		strongly higher	gold
First Graphene	FGR		rising again	graphene
Fortescue Metals	FMG		new uptrend	iron ore
FYI Resources	FYI		collapse out of uptrend	HPA
Galena Mining	G1A		still down	lead
Galilee Energy	GLL		down	oil and gas, CBM
Genesis Minerals	GMD		testing downtrend	gold
Genmin	GEN		back in downtrend	iron ore
Global Energy Ventures	GEV		testing uptrend	hydrogen





This commentary is provided at no charge and in good faith from sources believed to be reliable and accurate. Far East Capital Ltd directors and employees do not accept liability for the results of any action taken on the basis of information provided or for any errors or omissions contained therein. Readers should seek investment advice from their professional advisors before acting on information contained therein. Please see **Disclosure of Conflicts of Interest** at the end of this commentary.

Gold Road	GOR		testing downtrend	gold
Great Boulder Resources	GBR		down	gold exploration
Hastings Technology Metals	HAS		testing uptrend	rare earths
Hazer Group	HZR		heavy correction	hydrogen
Highfield Resources	HFR		down	potash
Hillgrove Resources	HGO		breached downtrend	copper
Iluka Resources	ILU		testing downtrend	mineral sands
Image Resources	IMA		a bit stronger	mineral sands
Independence Group	IGO		new high	gold
ioneer (was Global Geoscience)	INR		testing uptrend	lithium
Ionic Rare Earths (Oro Verde)	IXR		recovering long term uptrend	rare earths
Jervois Mining	JVR		shallower uptrend	nickel/cobalt
Jindalee Resources	JRL		down again	lithium
Kairos Minerals	KAI		weaker	gold exploration, lithium
Kingston Resources	KSN		back to sideways pattern	gold
Kingwest Resources	KWR		strong uptrend	gold
Latitude Consolidated	LCD		testing downtrend	gold
Legend Mining	LEG		still down	nickel exploration
Lepidico	LPD		testing steepest uptrend	lithium
Lindian Resources	LIN		surge higher	bauxite
Lion One Metals	LLO		sideways	gold
Lithium Australia	LIT		heavy slump	lithium
Los Cerros	LCL		sideways through downtrend	gold exploration
Lotus Resources	LOT		testing uptrend	uranium
Lucapa Diamond	LOM		new uptrend	diamonds
Lynas Corp.	LYC		new high	rare earths
Magnetic Resources	MAU		sideways	gold exploration
Mako Gold	MKG		gently improving	gold exploration
Marmota	MEU		rallying	gold exploration
Marvel Gold	MVL		new high	gold exploration
Matador Mining	MZZ		breached downtrend	gold exploration
Megado Gold	MEG		down	gold exploration
MetalTech	MTC		off the end of a ramp	gold
Meteoric Resources	MEI		down heavily	gold exploration
MetalsX	MLX		new high	tin, nickel
Metro Mining	MMI		back to lows	bauxite
Mincor Resources	MCR		testing uptrend	gold/nickel
Musgrave Minerals	MGV		testing downtrend	gold exploration
Neometals	NMT		new high	lithium
Northern Minerals	NTU		rising	REE
Northern Star Res.	NST		slump back into downtrend	gold
Nova Minerals	NVA		consolidating after steep rise	gold exploration
Oceana Gold	OGC		heavy slump	gold
Oklo Resources	OKU		new uptrend	gold expl.

This commentary is provided at no charge and in good faith from sources believed to be reliable and accurate. Far East Capital Ltd directors and employees do not accept liability for the results of any action taken on the basis of information provided or for any errors or omissions contained therein. Readers should seek investment advice from their professional advisors before acting on information contained therein. Please see **Disclosure of Conflicts of Interest** at the end of this commentary.

OreCorp	ORR		testing uptrend	gold development
Oz Minerals	OZL		rising again	copper
Pacific American	PAK		back to lows	coking coal
Pantoro	PNR		consolidating at higher levels	gold
Panoramic Res	PAN		surge higher	nickel
Peak Minerals	PUA		new low	copper exploration
Peak Resources	PEK		down	rare earths
Peel Mining	PEX		testing downtrend	copper
Peninsula Energy	PEN		consolidating	uranium
Poseidon Nickel	POS		gently lower	nickel
Perseus Mining	PRU		slump	gold
Pilbara Minerals	PLS		new high	lithium
Queensland Pacific Metals	QPM		downtrend commencing	nickel/cobalt/HPA
Red River Resources	RVR		testing downtrend	zinc
Regis Resources	RRL		new low on large financing	gold
Renegen	RLT		heavy fall from highs	gas, helium
RIO	RIO		testing steep downtrend	diversified, iron ore
Rumble Resources	RTR		still giving up ground	gold exploration
S2 Resources	S2R		consolidating after steep rise	gold exploration
St Barbara	SBM		testing downtrend	gold
Sandfire Resources	SFR		rallying	copper
Santos	STO		falling	oil/gas
Saturn Metals	STN		breached short term uptrend	gold exploration
Silex Systems	SLX		on support line	uranium enrichment technology
Silver Mines	SVL		testing downtrend	silver
South Harz Potash	SHP		turning down	potash
Stanmore Coal	SMR		new high	coal
Strandline Resources	STA		rising	mineral sands
Sunstone Metals	STM		surged higher	exploration
Talga Resources	TLG		heavy fall	graphite
Technology Metals	TMT		down	vanadium
Tesoro Resources	TSO		new low	gold exploration
Theta Gold Mines	TGM		sideways to lower	gold
Thor Mining	THR		testing support	gold exploration
Tietto Minerals	TIE		strong rise	gold
Titan Minerals	TTM		sideways	gold
Turaco	TCG		slipped after placement	gold exploration
Vanadium Resources	VR8		testing uptrend	vanadium
Vimy Resources	VMY		testing uptrend	uranium
West African Resources	WAF		new high	gold
Westgold Resources	WGX		breached downtrend but correcting lower	gold
West Wits Mining	WWI		down	gold
Western Areas	WSA		surge higher	nickel
Whitehaven Coal	WHC		down	coal

This commentary is provided at no charge and in good faith from sources believed to be reliable and accurate. Far East Capital Ltd directors and employees do not accept liability for the results of any action taken on the basis of information provided or for any errors or omissions contained therein. Readers should seek investment advice from their professional advisors before acting on information contained therein. Please see **Disclosure of Conflicts of Interest** at the end of this commentary.

Wiluna Mining	WMC		gently higher	gold
Yandal Resources	YRL		breached uptrend	gold exploration
Zenith Minerals	ZNC		placement and downtrend	gold exploration
Zinc Mines of Ireland	ZMI		new uptrend	zinc
Totals	34%	49	Uptrend	
	30%	43	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	31	21.7%	
Gold Exploration	26	18.2%	
Nickel	12	8.4%	
Copper	10	7.0%	
Lithium	6	4.2%	
Rare Earths	8	5.6%	
Oil/Gas	6	4.2%	
Iron Ore/Manganese	6	4.2%	
Zinc/Lead	5	3.5%	
Mineral Sands	3	2.1%	
Potash/Phosphate	5	3.5%	
Uranium	4	2.8%	
Graphite/graphene	4	2.8%	

Coal	3	2.1%	
Bauxite	2	1.4%	
Silver	2	1.4%	
Cobalt	1	0.7%	
Tin	1	0.7%	
Diamonds	1	0.7%	
Other	7		
Total	143		

FEC Disclosure of Interests: It is a requirement of ASIC that holders of AFS licences prominently disclose any conflicts of interest. At all times readers should be aware that Far East Capital Ltd is an active investor. It shares its research and opinions free of charge to other investors and it aims to do so on an ethical basis. Accordingly, when it is writing about stocks in which it holds interests, these will be disclosed. In this week's publication FEC discloses that interests associated with the the author hold shares in First Graphene. and Lucapa Diamond Company. The author is chairman of First Graphene and one of the largest shareholders, through a number of entities. Over the last three years FEC has received fees from Alicanto Minerals, Blackstone Minerals, Broken Hill Prospecting, Cobalt Blue, First Graphene, Golden Rim, Lindian Resources, Lucapa Diamond Company, Orinoco Gold, Pacific American and West Wits for corporate and capital raising services. Its primary business is investing and managing its own money, but it does occasionally raise money for resource companies.

Disclaimer: This Research Report has been prepared exclusively for Far East Capital clients and is not to be relied upon by anyone else. In compiling this Commentary, we are of necessity unable to take account of the particular investment objectives, financial situation and needs of any of our individual clients. Accordingly, each client should evaluate the recommendations obtained in this Commentary in the light of their own particular investment objectives, financial situation and needs. If you wish to obtain further advice regarding any recommendation made in this Commentary to take account of your particular investment objectives, financial situation and needs, you should contact us. We believe that the advice and information herein are accurate and reliable, but no warranty of accuracy, reliability or completeness is given and (except insofar as liability under any statute cannot be excluded) no responsibility arising in any other way for errors or omissions or in negligence is accepted by Far East Capital Limited or any employee or agent. For private circulation only. This document is not intended to be an offer, or a solicitation of an offer, to buy or sell any relevant securities (i.e. securities mentioned herein or of the same issuer and options, warrant, or rights with respect to or interests in any such securities). We do not guarantee the accuracy or completeness of the information herein, or upon which opinions herein have been based. At any time we or any of our connected or affiliated companies (or our or their employees) may have a position, subject to change, and we or any such companies may make a market or act as principal in transactions, in any relevant securities or provide advisory or other services to an issuer of relevant securities or any company therewith. Unless otherwise stated all views expressed herein (including estimates or forecasts) are solely those of our research department and subject to change without notice. This document may not be reproduced or copies circulated without authority. Copyright © Far East Capital Ltd 2021.