

## It looks like Lucapa has found the source pipe of its fabulous alluvial diamond deposits

### *Bipolar gold*

The bipolar nature of the gold price was demonstrated last week with its strong rise above US\$1,860/oz on news of higher inflation in the USA. That is what it was supposed to do if it is an effective hedge against inflation, but on another day it might as well have gone down in anticipation that a bout of inflation will cause interest rates to go up. Take your pick as to which argument will have the strongest influence, on any particular day.

### *Lucapa back in the spotlight*

After more than five years of searching for the source kimberlite pipe for the fabulous alluvial deposits that it has been mining at Lulo in Angola, it seems that Lucapa (LOM) may have achieved its primary exploration objective. The announcement last Monday, of the initial kimberlite bulk sample results, qualifies as a "discovery" in the true meaning of the word. Thirteen diamonds with a combined weight of 4.15 carats were recovered with eight of them being of the rare Type IIa category, from a 2,192 m<sup>3</sup> sample. It was an understated release without any euphoria, but it was nonetheless very significant.

When a kimberlite is being assessed you start with the first step of determining whether or not the pipe is diamondiferous. The vast majority of pipes are not, so recovering macrodiamonds, as opposed to even micro diamonds, is enormously encouraging. So far only 1% of the surface area has been sampled but we should not expect a homogeneous distribution of diamonds - it could be better or worse elsewhere in the pipe. The company is moving a crushing plant to the location to better assess what is coming from the pipe. We would expect to get even better recoveries once this is operating.

This pipe has a surface area of 8 hectares (20.8 acres), so it is big enough to host a meaningful-sized mine. It is typical for pipes like these to appear in clusters so there is a strong possibility that there will be more than one pipe that will yield diamonds. The targets have been identified but they are yet to be tested.

Assessment of kimberlite pipes involves progressively larger samples being taken to assess the discovery. Once 5,000 carats have been recovered they can be sent off for third party valuation and then you can start your estimates of what the discovery is worth. The speculation to this point will be both the frequency or grade of the diamonds, and their value per carat.

Pipes typically have a number of eruptive pulses that bring diamonds to the surface and each of these can host different concentrations of diamonds. Information on this front will be gathered for mine planning purposes. In addition, wide diameter drilling will be needed to test the

pipe at various depth levels, being also necessary for mining planning purposes.

There is no point in being too modest about this sort of discovery because results like these are rare. Though, it is obvious that the Company is being a little cautious at the point, perhaps because of one or two premature bouts of optimism previously.

Lucapa now presents itself as a solid earning story given the guidance released a couple of weeks ago. Add to this the enormous blue sky potential you get when a diamondiferous pipe is discovered and you have the makings of a very valuable company.

*Disclosure: Interests associated with the author own shares and options in Lucapa and has received capital raising fees. They have been buying on-market since the release mentioned above.*

### *Los Cerros is expanding the boundaries*

The latest update from Los Cerros is mostly about extending the boundaries of the Tesorito mineralisation. Tying it in with the recently completed IP program is where it gets really interesting. The step-out holes to the north have returned big intercepts with more modest grades at around 0.5 gpt e.g. DH 37 with 339m at 0.54 gpt and DH33 with 550m at 0.5gpt, but the new geophysical target further north has still not yet been tested. Mineralisation of this grade is probably economic with the style of open pit that is likely, so the total resource is expanding. Whether or not there is a continuation of the high grade horizon, explaining the northern geophysics high, remains to be seen. Maybe the low grade in this announcement is just another pulse of mineralisation that has pushed up between the North and South areas. We look forward to a proper test of this northern anomaly to see if there will be a kick in the grade. The target actually looks bigger than the Tesorito South geophysics signature, but what is the grade?

To the south, the step-out drilling is already indicating that the high grade horizon is likely with DH 34 returning 236m at 1.0 gpt, including 26m at 2.14 gpt and 27.5m at 2.73 gpt. The N-S length is now out to 600m of strike, extending to hundreds of metres depth.

That leaves the news on Tesorito West and the enormous geophysics high announced two weeks ago to factor into the equation. As the drilling is moving further to the SW there has been a soften of grade, as shown by the 480m intercept of 0.42 gpt in DH 36, but the observation of 8m at 1.36 gpt towards the tail of this hole is interesting. It is to the west of the fault and heading towards that IP anomaly announced a couple of weeks ago, and therefore not attributable to Tesorito South.

Could this be the indicator for another higher grade zone in that direction?

Having raised plenty of money in the recent placement at 16¢, a fifth drilling rig has moved to site to accelerate the news flow. We still don't know how big Tesorito will be, but it is encouraging that every exploration update seems to expand the potential.

*Disclosure: Interests associated with the author own shares Los Cerros.*

## 121 Hong Kong Conference (continued)

See below more quicks notes on companies that presented at the Hong Kong 121 Conference.

**Falco Resources** (TSX.V:FPC) Price: C\$0.31 Mkt Cap: C\$80m Cash: C\$4m (30/6/21). Falco's lead project is the Horne 5 gold deposit in Quebec that lies below the original Horne Mine, that was operated by Noranda Inc from 1926 to 1976, producing 54 Mt at 6.1 gpt gold and 2.22% copper (2.5 Bn lbs of copper and 11.6 Moz of gold). The new development is expected to produce on average 222,000 oz p.a. over a 15 year mine life, from a Proved and Probable Reserve of 80 Mt 1.44 gpt Au, 0.17% Cu, 14.1 gpt Ag and 0.77% Zn (2.37 gpt AuEq, 6 Moz). This lies between 650m and 2,000m from the surface. Capex for a 6 Mtpa development has been estimated at US\$844m, with opex of C\$43.11 pt and an AISC of US\$587/oz. The company has laboured through a difficult three year approval period due to Glencore wanting assurances that its nearby smelter would not be adversely affected by the development. An Agreement-in-Principle was secured with Glencore in June, 2021. Project permitting is scheduled by mid-2022, allowing for commercial production to commence in late 2025. A major capital item will be the US\$150m dewatering cost of the old workings. *With a market capitalisation of only C\$80m, Falco is virtually selling at an "option value". In due course, closer to production, we would expect the market to give it a much higher valuation.*

**Galena Mining** (ASX:G1A) Price: 23¢ Mkt Cap: \$109m Cash \$89m. As at 3/9/21, Galena was 21% completed with the development of the Abra base metal mine, on schedule to produce the first ore in Q4 2022. The resource is 34.5 Mt at 7.2% lead and 16 gpt silver. Toho Zinc of Japan has invested \$90m into the project for a 40% equity and it is committed to taking 40% of Abra's production at arms length benchmark terms. The A\$170m, 1.2 Mtpa mine has a planned life of 16+ years, producing a concentrate with grades of 75% Pb and 80-200 gpt Ag. C1 cash costs are estimated at US\$0.44/lb of lead. On the blue sky front there have been some interesting gold and copper intercepts in a separate zone. This project has been around a long time, so it is good to see a company finally bringing it into production. As they say, mines are made, not found. *This looks like a legitimate base metals (lead and silver) play for investors but always remember that the most testing time for any new project is the commissioning phase, late in 2022, for Abra.*

**Giyani Metals** (TSX.V:EMM) Price: C\$0.50 Mkt Cap: C\$87m Cash: C\$11m (pre-placement of \$10m). Giyani is an interesting battery input stock with plans to produce a high purity manganese sulphate monohydrate product (HPMSM) from

the Kanye Basin Project in SE Botswana. HPMSM is a critical material for Li-ion batteries used in EVs, and for cathodes in Ni-Co-Mn batteries. Currently, 90% of supply comes from China, so it is very important for battery manufacturers to secure alternative sources of supply. Demand for HPMSM is expected to grow by 900% by 2040. The Feasibility Study is expected before the end of 2021, which will lead to a \$4-5m demonstration plant. The full scale plant, likely to cost US\$118m, could then commence construction in Q3 of 2022, with completion then due in December 2023. Manganese oxide ore feedstock can be sourced from three prospects; K.Hill, Otse and Lobatse. K.Hill is the only one with resources, being 1.6 Mt at 22% MnO Indicated, and 1.4 Mt at 13.9% Inferred. The recently discovered B Horizon could extend the life of the mine by 25 years. Just this week the Company announced a bought deal from Cormark Securities and Beacon Securities, to raise C\$10m at 44¢ with half a warrant. *It seems like the brokers are waking up to this very interesting company.*

**Godolphin Resources** (ASX:GRL) Price: 14.5¢ Mkt Cap: \$12.2m Cash \$4.7m. Godolphin is a NSW-based exploration stock in the Lachlan Fold Belt looking for gold and copper mineralisation, where there is potential for very large orebodies. It already has a useful 6.2 Mt orebody at Lewis Ponds, at a grade of 2 gpt Au, 80 gpt Ag, 2.7% Zn, 1.6 % Pb and 0.2% Cu. This project has been around for quite a few decades - as far back as Paragon Resources (PGN) - but so far no-one has managed to convert it into a mine. The challenge for Godolphin is to increase the resource base to something worthwhile developing. Just last week the Company announced some interesting intercepts from the latest drill program. *The shares are not expensive at these levels.*

**Great Boulder Resources** (ASX:GBR) Price: 14.5¢ Mkt Cap: \$51m Cash \$5.4m. Great Boulder is focussing on a gold mineralisation to the east of the highly productive Paddy's Flat line of workings at Meekatharra in WA. This ground has had very little historical exploration due to 10-15m of cover masking the underlying geology. Named Mulga Bill, the main prospect is showing signatures of an intrusive related system. The Company initially expected steeply dipping high grade lodes but recent results are pointing more towards flay-lying veins. Nevertheless, there have been some impressive intercepts reported e.g. 14m at 36.12 gpt, including 3m at 149 gpt. Geophysics has identified a 3 km long priority zone to be assessed. What started out as an interesting exploration concept is turning out to be something significant. *Great Boulder is an exploration company with potentially good upside if it can back up recent drill results.*

**Ionic Rare Earths** (ASX:IXR) Price: 4¢ Mkt Cap: \$135m Cash \$9.5m (30/9/21). When we first covered Ionic earlier this year it came across as having a very viable rare earth deposit of the ionic clay style i.e. much simpler metallurgy. The share price was hit hard by a Scoping Study that didn't impress the market because the apparent resource size was less than the market understood it to be. The real issue though was that the ASX would allow only a small proportion of the Inferred Resource to be included, even though Blind Freddie could tell you that the total resource was very much larger. Ionic has been tracking the rest of the sector in recent months, improving along with REO prices. It has been aggressively drilling to convert Inferred resources to Measured and Indicated, with a view to

releasing an updated figure by March 2022. It could be three times the previously announced 84 Mt, used in the Scoping Study. Expect a revised Scoping Study after that. *Ionic is still one of our preferred REO plays, with a number of other companies coming to the market with alleged ionic clay deposits of their own. Look for news flow on strategic partners over the next few months. Disclosure: Interests associated with the author own shares in Ionic.*

**Kingfisher Metals** (TSX:KFR) Price: 50¢ Mkt Cap: C\$40m Cash C\$5m. Kingfisher IPO'd earlier in 2021, with a focus on the orogenic gold belt in Western North America, in BC. It is a grass roots explorer run by a team of younger, aggressive (highly motivated) geologists. Starting out, it has mapped and conducted soil geochemistry to identify sizeable targets. At its Day Trip Zone it has identified a high grade zone of sulphide-cement breccia in subcrop over a 90 x 70 m area adjacent to an intrusive hosted vein system. *The price tag of C\$40m suggests that the market already has built in a level of expectation into the share price, not withstanding that it is very early in the game. It will need to come in with some good results in the next field season if it is going to be able to maintain this valuation.*

**Magnetic Resources** (ASX:MAU) Price: \$1.65 Mkt Cap: \$361m Cash \$3.5m. Magnetic is a gold explorer focusing on two advanced prospects named HN9 and Lady Julie, SW of Laverton in WA, and only 15 km north of the 7 Moz Wallaby mine. There hasn't been much share price movement since we wrote it up on 20th March, but there has been a significant improvement in the outlook based on the drilling at the Lady Julie prospect. Drilling here has been returning intercepts that are often 20-40m wide with grades of 1.5-4 gpt from shallow dipping flat lodes. Exploration continues to reveal shallow-dipping stacked gold lodes and shear zone similar to those that have been very productive for other companies in the area. It is looking like the mineralisation could support open pit widths up 300-400m wide. The prospective strike length is now up to 3km, combining HN9 and Lady Julie. We would be surprised if the resource isn't at least 2 Moz at around 2 gpt to a depth of 250m, but it could actually be twice this. Interestingly, Magnetic is finding seismic a useful tool to identify the thrust zones at depth. *With a market capitalisation of \$360m, this good project is already being factored into the share price ... but this doesn't mean that there is no more upside. This one is very promising.*

**Nomad Royalty** (TO:NSR) Price: C\$9.75 Mkt Cap: C\$552m Cash n/a. Nomad is another royalty company, the type of which we don't have much exposure to in Australia. It started in 2014, and it now has 16 assets with 8 of them being royalties from producing gold mines. It has a diverse geographical exposure with assets in North and South America, West Africa, South Africa and Australia. Is a relatively recent entry to the sector and it seems to be selling at a discount to many of its peers, but that will change over time. The current yield is about 2.3%. *This type of company will appeal to investors who want to benefit from movements in the gold price without having too much exposure to operations of any particular company. It is for risk averse investors looking for dividend income.*

**Northern Dynast Minerals** (TO:NDM) Price: C\$0.52 Mkt Cap: C\$275m Cash C\$30m. NDM is an interesting company, claiming to have the world's largest undeveloped copper/ gold project. So, why is it capitalised at a modest C\$275m?

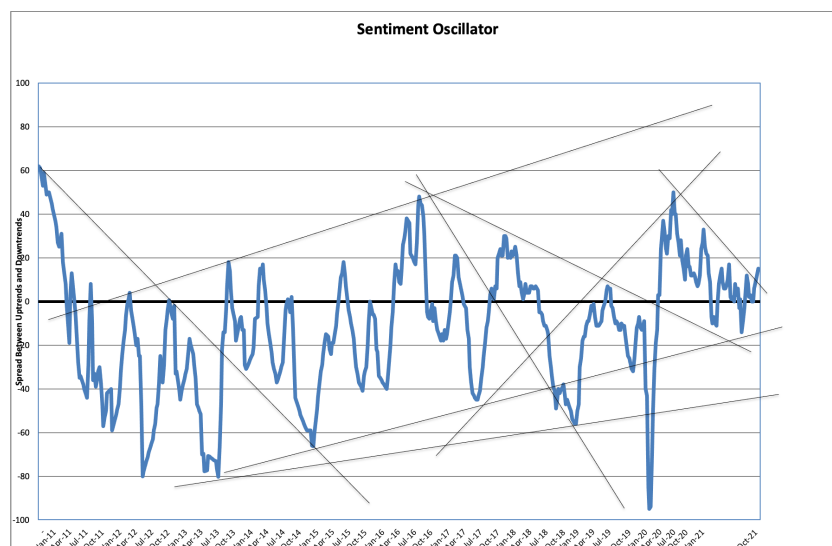
Its Pebble Project has a 6.5 billion tonne resource in the Measured and Indicated categories, containing 57 Bn lbs of copper and 71 Moz of gold, plus molybdenum, silver and rhenium. Add this to the 4.5 Bn tonne Inferred Resource, adding 50% more metal, and you can see it is huge. The grade of the M&I component is 0.8-1% CuEq. When Anglo was involved it spent \$500m, then walked away. Why so? So far the company has been unable to secure mining and development permits, even though it claims there will be no environmental damage. It seems to come down to objections from the salmon industry. The appeal process is ongoing and there is no way of accurately predicting where this will end up, so *it is hard to say whether the stock is cheap or expensive at these levels. With an expected capex of US\$6bn, it is an institutional stock rather than one for private investors.* The forecast production levels are enormous, at 613,000 tpa of copper concentrate and 1.8 Moz of gold, but first it has to get a green light on the development.

**Ora Banda Mining** (ASX:OBM) Price: 8¢ Mkt Cap: \$78m Cash \$24.5m (30/9/21). Ora Banda Mining is the reshaped Eastern Goldfields, having changed its name in June 2019. Eastern Goldfields was not a successful company, and Ora Banda still has some challenges ahead of it with the AISC being A\$2,756/oz for the September Quarter. Sustaining capex made up about one third of this figure. Revenue was A\$2,443/oz, so it made a loss. The plant was operating at only 80% of the nameplate capacity due to issues with the crushing circuit. The optimum mill feed is 80% hard rock and 20% soft rock, but there was an excessive amount of clayey soft rock in the September Quarter that led to viscosity issues and clogging of the screens. Since mid 2019, the Company has raised \$98.5m in three equity issues, at 18.5¢, 23¢ and 17¢. So far it is performing like the ill-fated Apex, which had the Wiluna Gold Mine. *There is no point in being an optimist and naively trusting that things will get better, when there are so many other interesting stories around in the gold sector. We need to see some sort of positive inflection point before feeling confident about this stock.*

**Peak Resources** (ASX:PEK) Price: 7¢ Mkt Cap: \$139m Cash \$20m (30/9/21). Peak Resources is a good quality emerging rare earth company but its share price has been going in the opposite direction to the rest of the sector in recent months. Maybe the \$30m raising at 9¢ back in August wasn't put into safe hands by the participating brokers; Aitken Murray, Canaccord and Foster. The fact that it was a two tranche placement would not have helped. Whatever the reason, the share price movements have been anomalous. The positive BFS on the Ngualla Rare Earth Project was updated in mid 2021, based on a NdPr price of US\$77.50/kg, which is substantially below the recent spot price of US\$118/kg. A Special Mining Licence was approved by the Tanzanian Cabinet last July. Everything is in order for construction to commence in Q3 2022. *The Company looks like it will have a very good future as a vertically integrated producer of rare earth products, but the share price is still in a downtrend - maybe due to project financing requirements.*

There will be more 121 companies next week. We have trimmed our list of stocks under chart coverage this week, deleting Chase Mining, Manhattan, Orocobre, Polarex and Sheffield to make room for new entrants.





**Sentiment Oscillator:** Sentiment continues to improved with a small breakout from the downtrend appearing in the chart above. There were 42% (30%) of the charts in uptrend and 27% (28%) 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	rising	
Metals and Mining	XMM	base forming	
Energy	XEJ	pullback to support line	
Stocks	Code	Trend Comment (updated comments in bold)	Main Interest
Alpha HPA	A4N	moving higher	HPA
Adriatic Resources	ADT	down	zinc, polymetallic
Alkane Resources	ALK	down	gold
Alicanto Minerals	AQI	higher	base metals, silver, gold
Altech Chemical	ATC	strongly higher	HPA, anodes
Alto Metals	AME	higher	gold exploration
American Borates	ABR	surge higher	borate
American Rare Earths (was BPL)	ARR	rising	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	back into downtrend	potash
Australian Rare Earths	AR3	down	rare earths
Auteco Minerals	AUT	back to lows	gold exploration
Azure Minerals	AZS	breached downtrend	nickel exploration
BHP	BHP	still falling	diversified, iron ore

Beach Energy	BPT		hit resistance line	oil and gas
Bellevue Gold	BGL		rallying	gold exploration
Benz Mining	BNZ		down	gold
Blue Star Helium	BNL		strong rise	gas, helium
BMG Resources	BMG		heavy fall on drill results	gold exploration
Boab Metals	BML		in a secondary downtrend	silver/lead
Breaker Resources	BRB		new high	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		breached downtrend	copper
Chalice Mining	CHN		new high	nickel, copper, PGMs, gold exploration
Chesser Resources	CHZ		sideways	gold exploration
Cobalt Blue	COB		steep rise	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		shallower downtrend	gold exploration
Ecograf	EGR		new downtrend	graphite
Element 25	E25		secondary downtrend	manganese
Emerald Resources	EMR		rising again	gold
Euro Manganese	EMN		down	manganese
Evolution Mining	EVN		testing downtrend	gold
Firefinch	FFX		strongly higher	gold
First Graphene	FGR		rising again	graphene
Fortescue Metals	FMG		breaching downtrend	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		strongly higher	hydrogen
Gold Road	GOR		testing downtrend	gold
Hastings Technology Metals	HAS		rising again	rare earths
Hazer Group	HZR		new uptrend	hydrogen
Highfield Resources	HFR		down	potash
Hillgrove Resources	HGO		breached downtrend	copper
Iluka Resources	ILU		breached uptrend	mineral sands
Image Resources	IMA		sideways	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

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Jervois Mining	JVR		shallower uptrend	nickel/cobalt
Jindalee Resources	JRL		breached downtrend	lithium
Kairos Minerals	KAI		surge higher	gold exploration, lithium
Kingston Resources	KSN		rising	gold
Kingwest Resources	KWR		surge out of downtrend	gold
Latitude Consolidated	LCD		testing downtrend	gold
Legend Mining	LEG		turned down at resistance line	nickel exploration
Lepidico	LPD		new high	lithium
Lindian Resources	LIN		off from high	bauxite
Lithium Australia	LIT		heavy slump	lithium
Los Cerros	LCL		sideways through downtrend	gold exploration
Lotus Resources	LOT		rising	uranium
Lucapa Diamond	LOM		new uptrend	diamonds
Lynas Corp.	LYC		heavy fall	rare earths
Magnetic Resources	MAU		slump	gold exploration
Mako Gold	MKG		down again	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		new high	gold/nickel
Musgrave Minerals	MGV		testing downtrend with steep rise	gold exploration
Neometals	NMT		new high	lithium
Northern Minerals	NTU		rising	REE
Northern Star Res.	NST		breaching downtrend	gold
Nova Minerals	NVA		consolidating after steep rise	gold exploration
Oceana Gold	OGC		rising	gold
Oklo Resources	OKU		new uptrend	gold expl.
Orecorp	ORR		testing uptrend	gold development
Oz Minerals	OZL		rising again	copper
Pacific American	PAK		off its lows	coking coal
Pantoro	PNR		breached support line	gold
Panoramic Res	PAN		breakout on the upside	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		breached uptrend	nickel
Perseus Mining	PRU		rising	gold
Pilbara Minerals	PLS		new high	lithium

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Queensland Pacific Metals	QPM		new high	nickel/cobalt/HPA
Red River Resources	RVR		testing downtrend	zinc
Regis Resources	RRL		new low on large financing	gold
Renegen	RLT		rising	gas, helium
RIO	RIO		testing steep downtrend	diversified, iron ore
Rumble Resources	RTR		breached downtrend	gold exploration
St Barbara	SBM		testing downtrend	gold
Sandfire Resources	SFR		rallying	copper
Santos	STO		rising	oil/gas
Saturn Metals	STN		breached short term uptrend	gold exploration
Silex Systems	SLX		heavy correction	uranium enrichment technology
Silver Mines	SVL		testing downtrend	silver
South Harz Potash	SHP		surge higher	potash
Stanmore Coal	SMR		new high	coal
Strandline Resources	STA		sideways	mineral sands
Sunstone Metals	STM		surged higher	exploration
Talga Resources	TLG		breaching downtrend	graphite
Technology Metals	TMT		testing uptrend	vanadium
Tesoro Resources	TSO		new low	gold exploration
Theta Gold Mines	TGM		sideways to lower	gold
Thor Mining	THR		strong rise	gold exploration
Tietto Minerals	TIE		strong rise	gold
Titan Minerals	TTM		sideways	gold
Vimy Resources	VMY		surge through downtrend	uranium
West African Resources	WAF		new high	gold
Westgold Resources	WGX		turned down at resistance line	gold
West Wits Mining	WWI		down	gold
Western Areas	WSA		surge higher	nickel
Whitehaven Coal	WHC		down	coal
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	42%	58	Uptrend	
	27%	37	Downtrend	
		138	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	30	21.7%	
Gold Exploration	23	16.7%	
Nickel	12	8.7%	
Copper	10	7.2%	
Lithium	6	4.3%	
Rare Earths	8	5.8%	
Oil/Gas	6	4.3%	
Iron Ore/Manganese	6	4.3%	
Zinc/Lead	5	3.6%	
Mineral Sands	3	2.2%	
Potash/Phosphate	5	3.6%	
Uranium	4	2.9%	
Graphite/graphene	4	2.9%	
Coal	3	2.2%	
Bauxite	2	1.4%	
Silver	2	1.4%	
Cobalt	1	0.7%	
Tin	1	0.7%	
Diamonds	1	0.7%	
Other	6		
Total	138		

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