

Strong improvement in sentiment at the end of the week

When drafting the Weekly mid-week, I had written that the markets seemed a little confused at present due to signals and indicators pulling in a multitude of directions, but there was a certain level of stability coming out of the turbidity. Well, the strength of many share prices on Friday is suggesting that the confusion is being pushed aside. The week ended on a strong note with the Sentiment Oscillator bouncing higher. Maybe the market is throwing off its concerns with Omicron as we start to realise that it isn't that bad after all.

We are not in a formal lockdown, but we have been suffering from a widespread slowdown owing to high levels of infection taking people out of the labour force. Given how easy it is to contract Omicron it almost seems inevitable that many, if not most people, will have a brush with it sooner rather than later. Once they get it the symptoms are minimal. So, should we just accept it as a fact of life and not worry about isolating? Should we just see it as endemic and get on with life and the discomfort? Nevertheless, there seems to be a great deal of bureaucratic bumbling going on ... worldwide... but it seems most people are over it. It will be important to watch the market next week to see the attitudes of Xmas/New Year holidayers returning to the market. Perhaps the sentiment will continue to improve.

Varying reactions with the gold price

Inflationary indicators continue to be robust along with expectations that interest rates will have to rise in response rather than in anticipation, but that hasn't undermined the gold price. Apparently, according to commentators, the strength in the gold price is attributable to expectations of slower and fewer rises in the US interest rates. This interpretation could change though, depending on which way the wind blows.

Iron ore taking Metals & Mining Index higher

The big iron ore producers have been taking the indices higher in response to a new three month high in the iron ore price, brought on by flooding in Brazil that has halted production in Minas Gerais. The region accounts for 40% of Vale's production. So far the Pilbara producers don't seem to have suffered from cyclone activity this year, but that is always a possibility.

Ardea surges on latest nickel intercept

Shares in Ardea Resources (ARL) surged 63% higher on Friday at one point, closing 51% higher at the close of the day, after reporting an intercept of 2.72m at 5.42% Ni, including 1.23m at 8.22% Ni. It was a great result but it shouldn't have been a surprise to anyone who has been following our recent commentaries as we have been tracking the progress of this recent nickel discovery.

We last mentioned Ardea on 4 December 2021, commenting on the second drill hole that returned 1.1m at 4.78% Ni, 0.16% Cu and 0.47 gpt Pt. That was sufficient for

us to opine that Emu Lake was a new nickel discovery, but the market was only vaguely interested at the time. This latest hole is better by a useful margin, but not dramatically so. Yet, on the day, the shares ran hard to a new high. It just goes to show that it takes more than news flow alone. That flow needs to motivate buying and that can be influenced by more factors than just the words in an ASX release. The market doesn't always respond the way you might expect.

New rare earths play in WA

Rare earth stocks have been amongst the best performers in recent times and we are seeing new players in the rare earths space almost every week. There is too much happening to mention them all, and in most cases we are seeing the door opening to opportunity but with limited sampling, so the best we can say is "interesting". There are many more factors to consider than in gold stories, so there is a risk in being dogmatic too soon when trying to make sense of rare earth stories.

As an example, Last week **PVW Resources** (PVW) reported rock chip samples from its Killi Killi East TREO project in the Tanami. While 8.77% TREO sounds impressive, remember that rock chip samples will never be representative of resources grades ... assuming that there is enough of the stuff around to come up with a JORC resource. What is more relevant just now is the dimensions of the target or the anomalism. Here, Killi Killi East 1 has a strike length of 800m and Killi Killi East 2 has a strike length of 500m. Interesting gold assays have also been recovered from samples.

There is another angle of interest with PVW. George Baulk is an executive director. Remember that George was CEO of Northern Minerals (NTU) for about 10 years, going through a very steep learning curve and more than one "near death" experience. If anyone knows the pitfalls and traps in working up a rare earths company, it would be George. He is not a geologist, but has a finance background. That should mean that he will have a stronger commercial background than your average geologist. It will be worthwhile keeping PVW on the radar.

Kingfisher Mining (KFM) was another company that reported rare earth news last week with high grade drill intercepts that included 4m at 1.73% TREO at Mick Well in the Gascoyne. The REO mineralisation is coming from pipe-like carbonate complexes which consists of the carbonatite intrusions and dykes, amphibolite, gneiss and ultramafic rocks as well as alteration and veins related to the intrusions. The orientation of the mineralisation within this complex geological setting is not yet known. All reported intervals in this announcement are down hole lengths. There are some similarities with the rocks that host the Yangibana orebody of Hastings Technology (HAS) to the north but it is too early to be jumping to conclusions just yet. Nevertheless, it does look very interesting

Disclosure: Interests associated with the author own shares in Kingfisher Mining

The changing nature of quarterly reports

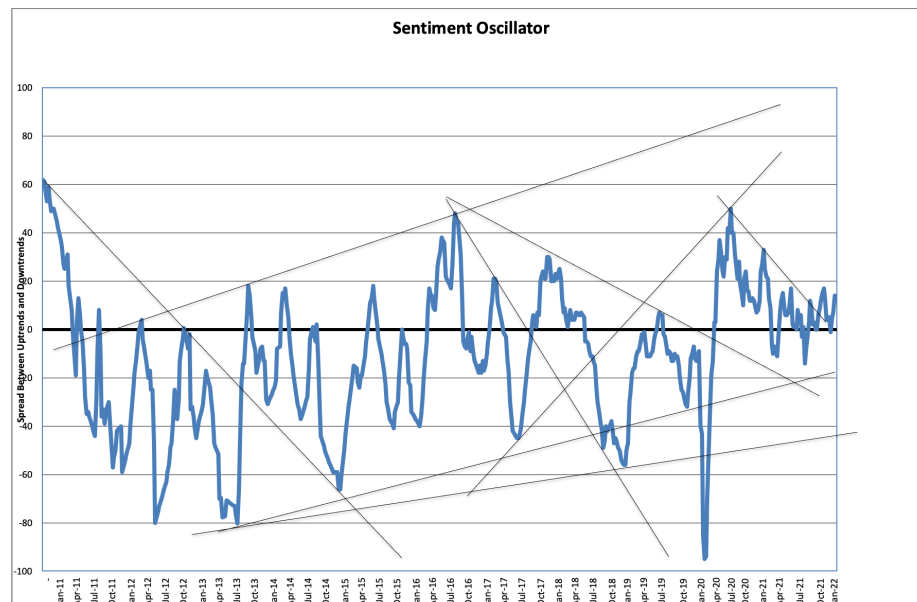
We should start to see quarterly reports coming through over the next few days. In the past I have commented that these are a summary of what happened in the previous quarter. If a company had been diligent in continuous compliance disclosure, the quarterlies were somewhat repetitive and unnecessary; but there is a rule that they have to be released, so they are.

The goalposts are moving though. We are seeing the ASX being increasingly interventionist when it comes to ASX releases, clamping down on companies that are making too many releases and rejecting those that it regards as “ramping” announcements - though there isn’t a proper definition of the term that we can use as a reference point. How it determines what is ramping and what is not is beyond me. I cannot see any consistency in its opinions or in its pronouncements, meaning it is very subjective.

Directors are legally obliged to make continuous disclosure. Fear of being accused of withholding information, in breach of continuous disclosure obligations, has resulted in directors erring on the side of caution, but this seems to annoy the ASX. What can the directors do?

It looks like companies will have to use the quarterlies to say things that the ASX wouldn’t allow in the normal course of business. That means it will be new information. Maybe it will be significant news, maybe not, but that will come about due to differences of opinion between companies and the ASX. So, we will have to read the quarters more carefully to pick up this news flow.

Taking the thought process one step further, I can see that companies should add a section that is forward looking. They will need to be forecasting what things are likely to happen in the following three months in order to keep shareholders better in the loop. Quarterlies are going to become more informative as the frequency in intra-quarter announcements become more restricted ... due to ASX intervention.



Sentiment Oscillator: The Sentiment Oscillator was usefully stronger by the end of the week. There were 41% (37%) of the charts in uptrend and 27% (30%) 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	holding uptrend
Metals and Mining	XMM	strongly higher
Energy	XEJ	stronger

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Stocks	Code		Trend Comment (updated comments in bold)	Main Interest
Alpha HPA	A4N		back to highs	HPA
Adriatic Resources	ADT		testing downtrend	zinc, polymetallic
Alkane Resources	ALK		but surged on drill result	gold
Alicanto Minerals	AQI		downtrend	base metals, silver, gold
Altech Chemical	ATC		breaching uptrend	HPA, anodes
Alto Metals	AME		sideways	gold exploration
American Borates	ABR		new high	borate
American Rare Earths (was BPL)	ARR		breached steepest uptrend	rare earths
Antilles Gold	AAU		still in downtrend	gold
Arafura Resources	ARU		rising	rare earths
Ardea Resources	ARL		surge to new high	nickel
Aurelia Metals	AMI		sideways to higher	gold + base metals
Australian Potash	APC		heavy fall	potash
Australian Rare Earths	AR3		in wedge	rare earths
Auteco Minerals	AUT		back to lows	gold exploration
Azure Minerals	AZS		breached ST downtrend	nickel exploration
BHP	BHP		surge higher	diversified, iron ore
Beach Energy	BPT		hit resistance line	oil and gas
Bellevue Gold	BGL		down to recent lows	gold exploration
Benz Mining	BNZ		new low	gold
Blue Star Helium	BNL		in a topping formation	gas, helium
BMG Resources	BMG		rallied off lows	gold exploration
Boab Metals	BML		in a secondary downtrend	silver/lead
Breaker Resources	BRB		heavy fall from highs	gold exploration
Buru Energy	BRU		uptrend	oil
Calidus Resources	CAI		new high	gold
Capricorn Metals	CMM		surge to new high	gold
Caravel Minerals	CVV		rallying	copper
Celsius Resources	CLA		strong rally	copper
Chalice Mining	CHN		new high	nickel, copper, PGMs, gold exploration
Chesser Resources	CHZ		rallied off lows	gold exploration
Cobalt Blue	COB		at highs	cobalt
Cyprium Metals	CYM		rallied to meet resistance line	copper
Danakali	DNK		long term downtrend	potash
De Grey	DEG		shallow downtrend being tested	gold
E2 Metals	E2M		surge higher, then heavy fall	gold exploration
Ecograp	EGR		surge out of downtrend, then heavy fall	graphite
Element 25	E25		strong rallying	manganese
Emerald Resources	EMR		rising again	gold
Euro Manganese	EMN		testing downtrend	manganese
Evolution Mining	EVN		breached downtrend	gold
Firefinch	FFX		new high	gold
First Graphene	FGR		rising again	graphene

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Fortescue Metals	FMG		new uptrend	iron ore
FYI Resources	FYI		new uptrend	HPA
Galena Mining	G1A		still down	lead
Galilee Energy	GLL		down	oil and gas, CBM
Genesis Minerals	GMD		surged higher after consolidation	gold
Genmin	GEN		new uptrend	iron ore
Global Energy Ventures	GEV		testing downtrend	hydrogen
Gold Road	GOR		testing downtrend	gold
Great Boulder Resources	GBR		rising	gold exploration
Hastings Technology Metals	HAS		testing uptrend	rare earths
Hazer Group	HZR		heavy correction	hydrogen
Highfield Resources	HFR		strongly higher	potash
Hillgrove Resources	HGO		long term uptrend	copper
Iluka Resources	ILU		breached downtrend, back to highs	mineral sands
Image Resources	IMA		a bit stronger	mineral sands
Independence Group	IGO		new high	gold
ioneer (was Global Geoscience)	INR		new high	lithium
Ionic Rare Earths (Oro Verde)	IXR		recovering long term uptrend	rare earths
Jervois Mining	JVR		shallower uptrend	nickel/cobalt
Jindalee Resources	JRL		started new uptrend	lithium
Kairos Minerals	KAI		rallying from lows	gold exploration, lithium
Kingston Resources	KSN		weaker	gold
Kingwest Resources	KWR		just holding uptrend	gold
Legend Mining	LEG		surge higher	nickel exploration
Lepidico	LPD		testing steepest uptrend	lithium
Lindian Resources	LIN		surge higher	bauxite
Lion One Metals	LLO		sideways	gold
Lithium Australia	LIT		sideways	lithium
Los Cerros	LCL		new low	gold exploration
Lotus Resources	LOT		short term down	uranium
Lucapa Diamond	LOM		new uptrend	diamonds
Lynas Corp.	LYC		new high	rare earths
Magnetic Resources	MAU		sideways	gold exploration
Mako Gold	MKG		on support line	gold exploration
Marmota	MEU		sideways	gold exploration
Marvel Gold	MVL		new high	gold exploration
Matador Mining	MZZ		rallied to hit resistance line	gold exploration
Meeka Gold	MEK		testing downtrend	gold
Megado Gold	MEG		new low	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		firming	bauxite
Mincor Resources	MCR		new high	gold/nickel

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Musgrave Minerals	MGV		testing downtrend	gold exploration
Neometals	NMT		new high then heavy slump	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		back to support line	gold
Oklo Resources	OKU		breeched uptrend	gold expl.
OreCorp	ORR		rise on government agreement	gold development
Oz Minerals	OZL		rising again	copper
Pacific American	PAK		back to lows	coking coal
Pantoro	PNR		surge higher	gold
Panoramic Res	PAN		surge higher	nickel
Peak Minerals	PUA		new low	copper exploration
Peak Resources	PEK		rising again	rare earths
Peel Mining	PEX		down	copper
Peninsula Energy	PEN		down	uranium
Poseidon Nickel	POS		testing downtrend	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		still down	zinc
Regis Resources	RRL		new low on large financing	gold
Renegen	RLT		rallying	gas, helium
RIO	RIO		new uptrend	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		attempting new uptrend	copper
Santos	STO		falling	oil/gas
Saturn Metals	STN		down after another placement	gold exploration
Silex Systems	SLX		rallying	uranium enrichment technology
Silver Mines	SVL		sideways	silver
South Harz Potash	SHP		short term down	potash
Stanmore Coal	SMR		breeched uptrend	coal
Strandline Resources	STA		breeched uptrend	mineral sands
Sunstone Metals	STM		off its highs	exploration
Talga Resources	TLG		testing downtrend	graphite
Technology Metals	TMT		down	vanadium
Tesoro Resources	TSO		new low	gold exploration
Theta Gold Mines	TGM		down	gold
Thor Mining	THR		downtrend	gold exploration
Tietto Minerals	TIE		strong rise	gold
Titan Minerals	TTM		sideways	gold
Turaco Gold	TCG		sideways	gold exploration

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Vanadium Resources	VR8		testing uptrend	vanadium
Vimy Resources	VMY		testing downtrend	uranium
West African Resources	WAF		new high	gold
Westgold Resources	WGX		new uptrend being tested	gold
West Wits Mining	WWI		breaching downtrend	gold
Western Areas	WSA		surge higher	nickel
Whitehaven Coal	WHC		secondary uptrend	coal
Wiluna Mining	WMC		gently higher	gold
Yandal Resources	YRL		breached uptrend	gold exploration
Zenith Minerals	ZNC		surge to new high	gold exploration
Zinc Mines of Ireland	ZMI		sideways	zinc
Totals	41%	58	Uptrend	
	27%	38	Downtrend	
		142	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	21.8%	
Gold Exploration	26	18.3%	
Nickel	12	8.5%	
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	4	2.8%	
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	142		

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