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FAR EAST CAPITAL
The Mining Investment Experts

Weekly Commentary

19 September 2026 *Chart comments updated on Friday's close* Analyst : Warwick Grigor

Hong Kong Shaping Up as an Important Source of Capital

Ethnic Chinese are significant participants in the ASX-listed resources, be they in China, Hong Kong, Singapore, or Australia. They should not be seen as generic in their location or in their investment preferences or styles of investment activities. Some love to gamble at the bottom end of the market. Others are much more conservative, depending on who is the ultimate beneficiary of the investment funds. Family offices and ultra-high net worth parties are more concerned with playing the long game and generally look for significant stakes in companies that show good growth opportunities. They also use positions in these companies as beachheads to participate in the development and construction of projects all around the world.

As time goes by, we should be expecting that Chinese activities and influence will increase as they become more familiar with ASX-listed securities and associated rules and regulations. Australian companies will become more dependent upon Chinese investors. We are increasingly seeing mainland Chinese funds being managed out of Hong Kong investment companies and agents in that city.

Last week, I spoke at a conference in Hong Kong that was hosted by Financial and Corporate Relations Pty Ltd (FCR), an investment relations firm with deep inroads into the local investment community, about ways to improve your chances of success in the stock market for juniors. Three ASX-listed resources companies displayed their wares with more detail than you usually find with companies presenting in short, 10-15 minute time slots. They were Flagship (FLG), Manuka Resources, and West Wits. Also presenting was the Chinese company Shandon Xinhai Mining Group, a seemingly very capable engineering group that has invested in a number of ASX-listed companies where it is able to deploy its EPCM skills. The body of the report this week covers these companies.

Grigor Sentiment Oscillator

Charts in Uptrend: 33% (41%)
Charts in Downtrend: 26% (29%)

Sentiment eased over the week with falls in both stocks in uptrends and those in downtrends. This suggests greater indecision on the upside, but less fear on the downside.

Low volumes lead to greater volatility

The problems with low volumes were demonstrated during the week. A number of the smaller companies had dramatic falls in price when a shareholder wanted to move stock early in the week, but once done, the prices made good recoveries. Maybe it was the same investor across a number of companies. Maybe it was an institution that had decided it was overexposed and it used the recent strength in the market to quit positions. It certainly looks that way.

Manuka Resources (MKR) Price 6.5¢ Mkt Cap. $116m

Manuka's claim to fame is that it is building Australia's "leading" primary silver producer, at Wonawinta, 600 km west of Sydney. It is located in a well-mineralised region to the west of the Cobar Basin. Cobar Consolidated Resources (CCR) previously spent $60m to develop a 2.5 Moz p.a. silver mine in 2011, using conventional CIP process but without primary grinding. Not surprisingly, the mine suffered from poor recoveries and high unit costs and only operated for two years before closing. Black Oak acquired the project and began treating Mt Boppy gold ore, then Manuka acquired the operation in 2016 and began optimising the project.

Where Wonawinta stands today

The treatment plant is currently operating on gold ore from Mt Boppy, a mine which historically produced over 500,000 at 15 gpt, but now has remaining mill feed of only 290,000 t of open pitable ore grading 4.2 gpt. Though there is exploration potential to find additional ore.

The 1 Mtpa treatment plant is being expanded to 1.5 Mtpa in Q2 of 2027 at steady state production levels. This includes the installation of a de-sliming circuit to overcome historical process issues when the mill feed was 50:50 clay material and competent rock. The plant's replacement value today would be around $250m.

The 100%-owned resource comprises 38 Mt of ore grading 41 gpt silver and minor lead and zinc. This contains 51 Moz of silver. It converts to 12.8 Moz of reserves, sufficient to allow for a 10-year mining option producing 1.4 Moz Ag p.a., commencing in Q1 2027. The restart capex is estimated at $26m. Ore trucking costs are estimated at $27 pt, and processing costs are expected to be $35 pt.

The $34m expansion is planned to be operational by early Q1 2027, and is now fully funded. Mill feed is scheduled to be 60 gpt Ag, with plant recovery rates of 75%.

Interestingly, the plant will not recover doré as the volume of contained silver will be too great. Rather, it will produce filter cake that can be fed directly into the furnace of ABC Bullion Co with excellent payment terms of 99% of the calculated silver value.

C1 cash costs are expected to be around A$35/oz and AISC to be A$42.40/oz, inclusive of gold credits. This would allow for an EBITDA of A$110m based on a silver price of US$75/oz (A$107/oz) according to the Company, but note that the current silver spot price is about 12% lower. By my calculations, that would mean a positive cash flow of A$72m p.a. on 1.4 Moz of silver.

Other Projects

Manuka also has the Pipeline Ridge exploration project, 28 km to the south. MKR recently completed a 56-hole drill programme with a view to establishing an open-pit mine to depths of 60-80m. A maiden resource is expected to be announced in about six weeks, which may supply additional mill feed within 3-4 years at 1-1.5 gpt gold.

It also has an iron sands project in New Zealand that grades 57-58% Fe and 0.5% vanadium, that was purchased in 2022. A 5 Mtpa mining permit has been awarded, but this project has been blocked by green politics. Manuka is hoping that the issues will be resolved in one or two years. Until then, it should be seen as an option.

Finances

MKR has disclosed debt of A$48m and a cash balance of $12.8m as at 30/6/26. Add to this the $14.5m placement at 7¢ share, announced on 14/9/26.

The Bottom Line

With the potential to be earning EBITDA of around $72m p.a. from early next year, and a market capitalisation of $116m, there is no premium in the share price. Add to this the $14.5m placement just announced. Remember that the $48m debt needs to be taken into account.

While speculative until the recommissioning event is fully complete, Manuka could emerge as one of the better silver price plays on the ASX.

West Wits Mining (WWI) Price 43¢ Mkt Cap. $187m

I regularly provide an update on WWI when material news comes through, so I won't say too much here other than to list the key points of the Qala Shallows mine:

- Underground JORC Resource of 7.24 Mill Oz (56 Mt at 4 gpt I/I/I)
- 74% owned by WWI, BEE 26%
- 17-year mine life
- Gold production commenced in March 2026
- Ramping up to 70,000 oz p.a. over the next two years
- At US$4,600/oz, the annual cash margin will be US$230m
- AISC for LoM is US$1,850/oz

There is an intention to progress Project 200 from the same leases. This is expected to produce 200,000 oz p.a. when implemented, after completion of studies and financing.

Debacle with the Project 200 Scoping Study

The WWI share price took a hit three weeks ago, falling from 52¢ to 40¢, when it made an ASX release saying that the ASX would not allow it to release the scoping study, saying that there was too much reliance on Inferred Resources. Broadly, the study detailed a project with a 35-year mine life in order to show what the potential was. This offended the ASX as it doesn't like more than 50% of the resources subject to a study to be in the Inferred category, but they seem to have forgotten that this is only a scoping study, not a forward guidance study.

It is clear that the ASX does not understand what a scoping study is. It is well understood in industry that a scoping study is a first-pass assessment of a project's potential. It is used almost as a preliminary step for a company to decide whether its project has any merit. At best, it would be +/-30% accurate. If it looks good, the company will move on to the prefeasibility and then the DFS, and these studies will have progressively more rigid parameters. That is when its status is elevated to one housing financial forecasts.

The trouble with its ruling on WWI's scoping study is that it is elevating its significance beyond what it is intended. It should just be a pathfinder document rather than an economic evaluation with financial forecasts. It is raising the bar too high, and it is depriving shareholders of material information as to the potential value of the assets.

The net result of this exercise was the savage fall in the share price because the market thought there must be something wrong, when nothing could be further from the truth.

The Bottom Line

The most common question asked in Hong Kong presentations was "*Why so cheap?*" It is taking the market time to appreciate the inherent value, for a number of reasons, but the debacle over the treatment of the release of the scoping study is certainly not assisting with the education process. It is telling that the investors universally opined that the ASX was being ridiculous.

Disclosure: Interests associated with the author own shares in West Wits and he is a non-executive director.

Trouble at Matsa Resources

March last year I wrote up Matsa Resources (MAT) when they were about 5¢, on the back of imminent campaign gold production at the Devon Project, and the option deal with AngloGold Ashanti that had the potential to make the shares worth 20¢. The shares subsequently rose to 15.5¢, so it was a good trade at the time. The Company went into production and everything seemed fine, until it wasn't.

On 24/8/26, the company went into a trading halt and subsequently into voluntary suspension on the 26/8/26, when the shares were trading at 4.7¢. Why?

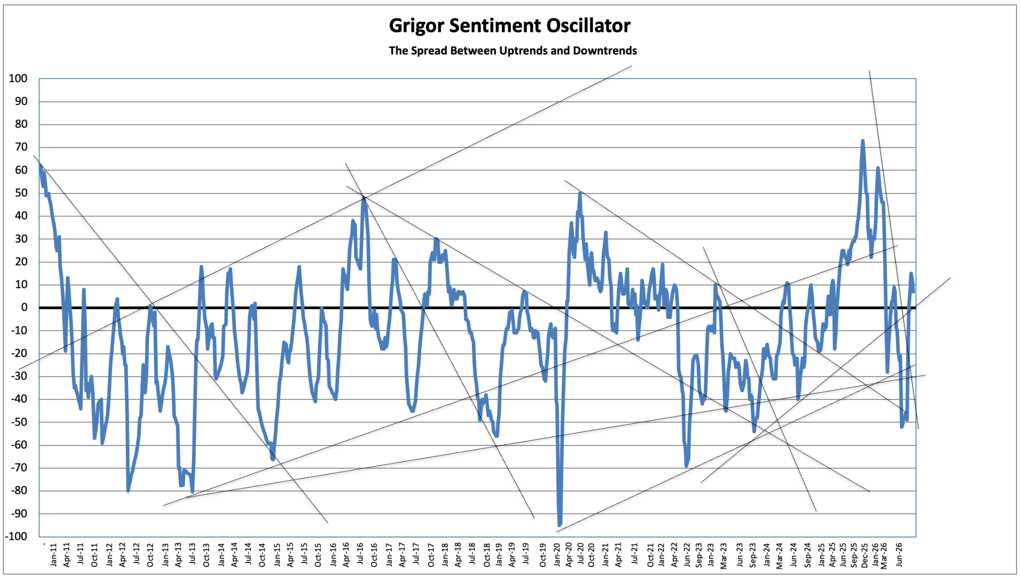
Last week, the mining contractor, Blue Cap Mining Pty Ltd, suspended mining activities, claiming that invoices hadn't been paid. KPMG was appointed as Receiver and Manager to the operating subsidiaries, Devon Gold Pty Ltd and Matsa Gold Pty Ltd. Matsa, in turn, appointed KordaMentha as Administrator of both of these companies.

It is difficult to say definitively what the dispute is all about, as Matsa seems to have access to funding. Maybe the internal review of the Devon Mine has identified some issues, and it seeks to "*establish the way forward for Devon and improve production rates; there has been a focus on reconfirming the geology model, increasing mining grades, reducing dilution, and improving mining practices* …".

We will eventually find out what the real problem is, but until all is known, it is an unsatisfactory position in which shareholders find themselves. Production is good, but the company has to get it right.

We have added Manuka Resources to the chart coverage.

We have held over the coverage of Flagship until next week due to space considerations.



Grigor Sentiment Oscillator: Sentiment eased over the week with falls in both stocks in uptrends and in downtrends as well. This suggests greater indecision on the upside. There were 33% (41%) of shares under coverage in uptrend, and 26% (29%) in downtrend

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		breached uptrend	
Metals and Mining	XMM		pullback	
Energy	XEJ		uptrend	
Stocks	**Code**		**Trend Comment (updated comments in bold)**	**Main Interest**
Aguia Resources	AGR		at lows	phosphate, gold
Akora	AKO		sideways	iron ore
Alkane Resources	ALK		bounced off support line	gold
Alligator Energy	AGE		pullback	uranium
Alpha HPA	A4N		testing downtrend again	HPA
American Rare Earths	ARR		sideways	rare earths
American Tungsten & Antimony	AT4		back to downtrend line	antimon
Anax Metals	ANX		rising again	copper
Andean Silver	ASL		heavy pullback	silver
AnteoTech	ADO		testing downtrend	batteries
Arafura Resources	ARU		new low	rare earths
Ardea Resources	ARL		breached downtrend	nickel
Ark Mines	AHK		surge out of downtrend then pullback	rare earths
Astral Resources	AAR		surge higher	gold
Aureka	AKA		sideways	gold exploration
Auric Mining	AWJ		testing secondary downtrend	gold

Aurora Energy Metals	1AE		testing downtrend	uranium
Aurum Resources	AUE		surge out of steepest downtrend	gold exploration
Australian Gold and Copper	AGC		stronger	base metals, silver, gold
Australian Rare Earths	AR3		breached downtrend	rare earths
BCI Minerals	BCI		rising	salt
BHP	BHP		breaching uptrend	diversified, iron ore
Ballard Mining	BM1		testing downtrend	lithium
Ballymore Resources	BMR		breached downtrend	gold exploration
Barton Gold	BGD		testing steep uptrend	gold exploration
BCI Minerals	BCI		improving	salt
Beach Energy	BPT			oil and gas
Beetaloo Energy	BTL		breaching downtrend	gas
Bellevue Gold	BGL		on resistance line	gold
Black Cat Syndicate	BC8		testing downtrend	gold
Boa Resources	BOA		new high	copper
Boab Metals	BML		rising again	silver/lead
Brazilian Rare Earths	BRE		down	rare earths
Brightstar Resources	BTR		good rise	gold
Broken Hill Gold (ex Pac Gold)	BH6		at highs pre placement	gold
Broken Hill Mines	BHM		heavy pullback after placement	base metals
Canadian Phosphate	CP8		rising	phosphate
Caravel Minerals	CVV		returned to downtrend	copper
Carnaby Resources	CNB		spike out of downtrend on takeover	copper
Castile Resources	CST		improving	gold/copper/cobalt
Catalyst Metals	CYL		rising again	gold
Cazaly Resources	CAZ		breached downtrend	rare earths
Centaurus Metals	CTM		testing downtrend	nickel/cobalt/HPA
Challenger Gold	CEL		down	gold
CNG Resources	CGR		heavy pullback	gold exploration
CuFe	CUF		testing downtrend	bismuth, Cu, Au
Cyprium Metals	CYM		rising	copper
Energy Transition Metals	ETM		down	rare earths
EQ Resources	EQR		new high	tungsten
Estrella Resources	ESR		breached uptrend	manganese
Evolution Mining	EVN		breached downtrend	gold
Felix Gold	FXG		sideways at lows	gold exploration, antimony
Finder Energy	FDR		breached uptrend	oil/gas
First Graphene	FGR		sideways	graphene
Flagship Minerals	FLG		new uptrend started	gold
Gateway Mining	GML		steep rise	gold exploration + gallium
GBM Resources	GBM		testing uptrend	gold
Genesis Minerals	GMD		steep rise	gold
Globe Metals and Mining	GBE		back in downtrend	niobium

Gold 50	G50		still down	gold exploration + gallium
Golden Horse	GHM		good rise	gold exploration
Great Boulder Resources	GBR		still in downtrend	gold exploration
Green360 Tech	GT3		down	kaolin
Hamelin Gold	HMG		breached uptrend	gold exploration
Hawk Resources	HWK		testing uptrend	scandium
Heavy Minerals	HVY		down	garnet
Horizon Gold	HRN		uptrend	gold
Iltani Resources	ILT		down	antimony
Iluka Resources	ILU		back to lows	mineral sands
Investigator Resources	IVR		testing downtrend	silver
Kantra Copper (Hillgrove Resources)	KAN		rising	copper
Jupiter Mines	JMS		sideways	manganese
Kaiser Reef	KAU		rising	gold
Kingfisher Minerals	KFM		testing downtrend	copper expl.
Kalamazoo Resources	KRZ		breached downtrend	gold
Kalina Power	KPO		rising	data centre power
Koba Resources	KOB		rising	uranium
Larvotto Resources	LRV		down	gold, antimony
Litchfield Minerals	LMS		new low	copper exploration
Lindian Resources	LIN		down	rare earths + bauxite
Lode Resources	LDR		testing downtrend	antimony, silver
Lynas Corp.	LYC		steep rise	rare earths
Mammoth	M79			gold exploration
Manuka Resources	MKR		slump on placement	silver
Many Peaks	MPK			gold exploration
Marmota	MEU		down	gold/uranium exploration
Maronan Metals	MMA		rising	silver/lead
Matsa Resources	MAT		suspended	gold
Meeka Gold	MEK		testing downtrend	gold
MetalsX	MLX		strongly higher	tin, nickel
Meteoric Resources	MEI		rising again	rare earths
Midas Minerals	MM1		breached downtrend	lithium
Mithril Silver & Gold	MTH		testing downtrend	silver, gold
Native Mineral Resources	NMR		testing downtrend	gold
New Murchison	NMG		rising	gold
Nexgen Energy	NXG		still down	uranium
Novo Resources	NVO		down	gold exploration
Omega Oil	OMA		rising again	oil
Pacific Lime & Cement	PLA		testing uptrend	renewables, cement
Paladin Energy	PDN		down heavily	uranium
Pantoro Gold	PNR		steep rise	gold
Patriot Battery Metals	PMT		new low	lithium
Peninsula Energy	PEN		collapse	uranium

Perseus Mining	PRU		rising again	gold
Phosco	PHO		sideways	phosphate
Pilbara Minerals	PGL		sideways	gold
PolarX	PXX			gold exploration, base metals
Power Minerals	PNN		new high	rare earths
QMines	QML		improving	copper
Regis Resources	RRL		steep rise	gold
Revolver Resources	RRR		at lows	copper
Richmond Vanadium	RVT		secondary downtrend	vanadium
RIO	RIO		heavy correction	diversified, iron ore
Rox Resources	RXL		new high	gold
RTG Mining	RTG		new high	copper
Rumble Resources	RTR		rising	zinc, gold, tungsten exploration
Santana Minerals	SMI		testing downtrend	gold
Santos	STO		at highs	oil/gas
Sarytogan Graphite	SGA		sideways	graphite
Scorpion Minerals	SCN		down	gold exploration
Sinclair Gold (was AQI)	SGC		testing downtrend	gold exploration
Siren Gold	SNG		down	gold exploration
Skylark Minerals	SKM		down	gold exploration
Somerset Minerals	SMM		sideways	copper exploration
Southern Palladium	SPD		sideways pattern	PGMs
Stanmore Coal	SMR		back to support line	coal
St George Mining	SGQ		down	rare earths, niobium
Stellar Resources	SRZ		improving	tin
Sun Silver	SS1		breached downtrend	silver
Sunrise Energy Metals	SRL		uptrend	scandium
Tamboran Resources	TBN		spike higher	gas
Theta Gold	TGM		breaching support line	gold
Tivan	TVN		resuming downtrend	fluorite
Torque Metals	TOR		at lows	gold exploration + lithium
Toubani Resources	TRE		breaching downtrend	gold
Verity Resources	VRL		down	gold
Vertex Minerals	VTX		fallen back	gold
Waratah Minerals	WTM		rising	gold exploration
Westgold Resources	WGX		pullback	gold
West Wits Mining	WWI		testing downtrend	gold
Whitehaven Coal	WHC		pullback	coal
White Cliff Minerals	WCN		rising	copper exploration
WIN Metals	WIN		sideways at lows	gold
Yandal Resources	YRL		still in downtrend	gold exploration
Totals	33%	48	Uptrend	
	26%	38	Downtrend	
		144		

Guides to Chart Interpretations

- Charts usually go 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 represents 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, sometimes for obscure reasons. If a chart consistently 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 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 (or 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	35	24.3%	
Gold Exploration	23	16.0%	
Copper	13	9.0%	
Rare Earths	12	8.3%	
Uranium	6	4.2%	
Oil/Gas/Hydrogen	6	4.2%	
Silver	8	5.6%	
Iron Ore/Manganese	5	3.5%	
Antimony	4	2.8%	
Lithium	3	2.1%	
Graphite/graphene	2	1.4%	
HPA/Kaolin	2	1.4%	
Nickel	2	1.4%	
Scandium	2	1.4%	
Tungsten	1	0.7%	
Tin	2	1.4%	
Coal	2	1.4%	
Bismuth	1	0.7%	
Niobium	1	0.7%	
Potash/Phosphate	3	2.1%	
Base metals	1	0.7%	
Vanadium	1	0.7%	
PGMs	1	0.7%	

Mineral Sands	**1**	**0.7%**	
Other	**7**	**4.9%**	
Total	**144**		

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