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On Friday's Close

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Everything looks good except for gold

Leading gold stocks were sold off by institutions as the gold price dropped below US\$1,800/oz again.. We are now at the stage of the cycle that even the true believers are starting to reduce their gold positions, though somewhat belatedly. There is too much money being made elsewhere, so sitting and watching the gold stocks fall further doesn't have much merit. It would be Sod's Law if gold started to rebound strongly after we exited our gold positions.

While gold has been weak the silver price has been performing much better. Friday's close of US\$27.17/oz is not much lower than the 2020 high of US\$28.85/oz. It is still in an uptrend.

Commodities are looking good across a number of metals. Enthusiasm for copper continues to mount with its price piercing \$4.00/lb last week. Nickel moved to a new high within a strong uptrend. Lead and zinc have both been strong. Of all the commodities only gold has been disappointing.

Alicanto now a high grade silver stock!

We have talked about Alicanto previously as a high quality exploration stock focusing in some of the most prospective geology in Sweden. As we all know, exploration often takes time to deliver the goods, so patience is needed, but being actively exploring in a region always has the potential to throw up something out of left field to elevate excitement. Alicanto has just done this with the acquisition of the Sala Silver Project, about 100 km SE of some of its existing projects in the Falun region.

Sala was an historical, very rich silver mine until it closed in 1962, having produced more than 200 Moz at an average grade estimated to be 1,244 gpt. It was once the largest silver mine in Europe.

Sala was mined to a vertical depth of 318m, with the operator believing it had been mined out. However, drilling of the Prince Lode, 300m SW of the mine, has since returned intercepts of 15.9m at 157 gpt Ag and 4.2% Zn, and 37 m at 50 gpt Ag and 6.1% Zn.

Four holes drilled in November 2012, by a Canadian company, suggests that the Sala mineralisation remains open at depth and along strike. It recorded 0.67m at 844 gpt Ag and 16.3% Pb at 250m below surface. Other intercepts were 0.47m at 292 gpt Ag, 1.65m at 465 gpt Ag and 3.3m at 170 gpt Ag, all with associated lead values.

The best place to find high grade silver is near where it was mined before. So, while there isn't a resource to talk about, there is very favourable geology with juicy intercepts. This is the most exciting stage of any exploration project - when you first pick it up and you become aware of what the potential could be. If you are a silver bug you should make sure you have some of these.

Disclosure: Interests associated with the author own shares in Alicanto Minerals.

Marvel's drilling is extending Tabakorole gold

Having been frustrated by the Tanzanian Government and the soft graphite sector in 2020, Marvel Gold (MVL) is continuing to forge a new future in the gold sector with the latest round of drilling at the Tabakorole gold project in Mali (earned 51%, moving to 70% for US\$3m of expenditure, and 80% on BFS).

An ASX release last week focused on the SE extension to the line of gold mineralisation that is already up to 990,000 oz at 1.2 gpt. The best hole was 23m at 2.0 gpt at a vertical depth of around 150m. If viewed in isolation one may opine that the grade at this depth is not interesting, but when you consider that this represents a 150m extension to the existing resource boundary it is very significant. Importantly, the two holes drilled above this intercept have not yet been assayed. The body extends much closer to the surface.

The existing 990,000 oz resource (at a 0.5 gpt cut-off) has not been fully assessed for open pit economics but we do know that metallurgical recovery of the fresh rock, that starts at a depth of around 20m vertical, is excellent. A pit to a depth of 150m seems as if it will involve a modest waste to ore ratio of 4-5:1, and this pit could easily be designed to pick up the SE extension.

Drilling is moving to the NW extension which could add another 200m in the NW direction. Between the two extensions MVL could see an increase to 1.1 Moz of gold. Thus, with the better grades being demonstrated, Tabakorole is proving to be a valuable acquisition.

There is still a graphite angle

Ironically, with Marvel having changed direction, graphite is back to being popular in the market due to the focus on the anode manufacturing business. Marvel still has its graphite assets in Tanzania and is considering a corporate restructuring to unlock the value of the graphite to the benefit of shareholders.

Modest price tag

The value of the Tabakorole gold project in Mali is not fully reflected in the market capitalisation of Marvel, especially when you consider the value of the graphite. If you placed a modest valuation of US\$30/oz on the gold in situ, and take off the US\$3m that it is committed to spending, you get a valuation of A\$35m. Add another 10% for the SE and NW extensions being drilled now. Is the graphite worth \$10m? Maybe. It will be an interesting stock to follow in the coming weeks, irrespective of what the gold price does.

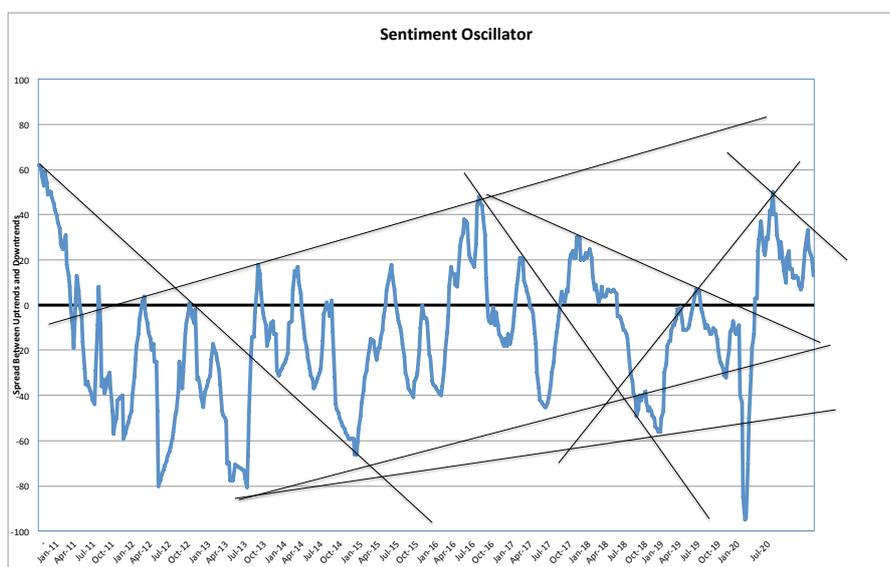
Footnote: We previously mentioned that MVL had an exciting exploration play at Lakanfla in western Mali. Unfortunately the drilling was difficult due to very wet ground and there was little or no gold found in the campaign late last year. The geological model is still good, but the prospect has been downgraded.

Disclosure: Interests associated with the author own shares in Marvel Gold.

anode that has twice the energy storage capacity of conventional graphite. Work being conducted at Argonne National Laboratory has tested the new anode for 100 cycles so far. If it can get the same performance on 800 cycles then it starts to get interesting. Those Aussie juniors talking about new battery anode plants should keep an eye on this one.

Lead fights back as an anode material

There was an interesting article last week that said lead-oxide particles mixed with carbon powder could provide an



Sentiment Oscillator: Sentiment weakened slightly. There were 46% (48%) of the charts in uptrend and 33% (27%) 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	off its high	
Metals and Mining	XMM	correcting lower	
Energy	XEJ	breaching uptrend	
Stocks	Code	Trend Comment (updated comments in bold)	Main Interest
Alpha HPA	A4N	back above support line	HPA
Adriatic Resources	ADT	surge higher then pullback	zinc, polymetallic
Aeon Metals	AML	still in downtrend	copper + cobalt
Alkane Resources	ALK	breached uptrend, heading down	gold, zirconia
Alicanto Minerals	AQI	sideways	base metals, silver, gold
Allegiance Coal	AHQ	surge through downtrend, then pullback	coking coal
Alliance Resources	AGS	pullback	gold predevelopment
Alto Metals	AME	down	gold exploration

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American Rare Earths (was BPL)	ARR		breached downtrend (COB holding)	rare earths
Apollo Consolidated	AOP		down	gold exploration
Arafura Resources	ARU		pullback	rare earths
Aurelia Metals	AMI		down	gold + base metals
Australian Potash	APC		holding shallower uptrend	potash
Auteco Minerals	AUT		softer	gold exploration
BHP	BHP		new high	diversified, iron ore
Base Resources	BSE		near highs	mineral sands
Beach Energy	BPT		LT downtrend continuing	oil and gas
Beacon Mining	BCN		sideways	gold production
Bellevue Gold	BGL		down on release of feasibility	gold exploration
Blackstone Minerals	BSX		rising	nickel
Blue Star Helium	BNL		slump to support trend line	gas, helium
Boab Metals	BML		named change from Pacifico Minerals	silver/lead
Breaker Resources	BRB		sideways	gold exploration
Buru Energy	BRU		on support line	oil
Calidus Resources	CAI		down	gold
Capricorn Metals	CMM		down	gold
Caravel Minerals	CVV		in pullback phase	copper
Celsius Resources	CLA		testing uptrend	uptrend
Central Petroleum	CTP		rising gently	oil/gas
Chalice Gold	CHN		back to support line	nickel, copper, PGMs, gold exploration
Chase Mining	CML		rising from lows	nickel/copper/PGE
Chesser Resources	CHZ		down now	gold exploration
Cobalt Blue	COB		pullback	cobalt
Cyprium Metals	CYM		stronger	copper
Dacian Gold	DCN		strongly higher	gold
Danakali	DNK		steeply higher	potash
Davenport Resources	DAV		rising again	potash
De Grey	DEG		shallower downtrend	gold
E2 Metals	E2M		correcting lower, ST downtrend	gold exploration
Ecograf (was Kibaran)	EGR		heavy pullback	graphite
Element 25	E25		pullback	manganese
Emerald Resources	EMR		coming back to support line	gold
Euro Manganese	EMN		breaching uptrend	manganese
Evolution Mining	EVN		down	gold
Firefinch	FFX		strongly higher	gold
First Graphene	FGR		consolidating	graphene
Fortescue Metals	FMG		pullback - uptrend breached	iron ore
Galaxy Resources	GXY		back to support line	lithium
Galena Mining	G1A		at recent highs	lead
Galilee Energy	GLL		higher	oil and gas, CBM
Genesis Minerals	GMD		down	gold
Gold Road	GOR		down	gold

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Hastings Technology Metals	HAS		uptrend	rare earths
Hazer Group	HZR		heavy pullback	hydrogen
Highfield Resources	HFR		rising	potash
Hillgrove Resources	HGO		breached support line	copper
Iluka Resources	ILU		strong rise	mineral sands
Image Resources	IMA		testing support	mineral sands
Independence Group	IGO		pullback	gold
ioneer (was Global Geoscience)	INR		new high	lithium
Ionic Rare Earths (Oro Verde)	IXR		new high	rare earths
Jervois Mining	JVR		rising again	nickel/cobalt
Jindalee Resources	JRL		correcting lower	lithium
Kin Mining	KIN		testing downtrend	gold
Kingston Resources	KSN		testing support	gold
Kingwest Resources	KWR		back to support line	gold
Legend Mining	LEG		turned down at resistance line	nickel exploration
Lepidico	LPD		correcting lower	lithium
Lindian Resources	LIN		softer	bauxite
Lithium Australia	LIT		pullback	lithium
Los Cerros	LCL		on support line	gold exploration
Lotus Resources	LOT		new high	uranium
Lucapa Diamond	LOM		breaking downtrend	diamonds
Lynas Corp.	LYC		new high	rare earths
Mako Gold	MKG		down again	gold exploration
Manhattan Corp	MHC		down	gold exploration
Marmota	MEU		testing downtrend	gold exploration
Marvel Gold	MVL		off its lows	gold exploration
MetalTech	MTC		testing downtrend	gold
Meteoric Resources	MEI		testing uptrend	gold exploration
MetalsX	MLX		new high	tin, nickel
Metro Mining	MMI		breaching downtrend	bauxite
Mincor Resources	MCR		testing uptrend	gold/nickel
Musgrave Minerals	MGV		down	gold exploration
Myanmar Minerals	MYL		breaching downtrend	lead, zinc, silver
Nelson Resources	NES		new high	gold exploration
Neometals	NMT		near high	lithium
Northern Minerals	NTU		pullback	REE
Northern Star Res.	NST		down	gold
NTM Gold	NTM		new high	gold exploration
Oceana Gold	OGC		down	gold
Oklo Resources	OKU		down	gold expl.
Orecorp	ORR		down	gold development
Orocobre	ORE		pullback	lithium
Oz Minerals	OZL		new high	copper
Pacific American Holdings	PAK		breaching ST downtrend	coal

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Pantoro	PNR		breached support line	gold
Panoramic Res	PAN		holding shallower uptrend	nickel
Peak Minerals	PUA		broeken resistance upside	copper exploration
Peak Resources	PEK		new high	rare earths
Peel Mining	PEX		breached new uptrend	copper
Peninsula Energy	PEN		new high	uranium
Poseidon Nickel	POS		sideways	nickel
Pensana Metals	PM8		pullback	rare earths
Perseus Mining	PRU		testing uptrend	gold
Pilbara Minerals	PLS		pullback	lithium
Polarex	PXX		breached downtrend	polymetallic exploration
Queensland Pacific Metals	QPM		new high	nickel/cobalt/HPA
Ramelius Resources	RMS		continuing down	gold production
Red5	RED		down	gold
Red River Resources	RVR		breached uptrend	zinc
Regis Resources	RRL		down	gold
Regergen	RLT		heavy pullback	gas, helium
Resolution Minerals	RML		new low	gold exploration
Resolute Mining	RSG		down	gold
RIO	RIO		new high	diversified, iron ore
Rumble Resources	RTR		back in downtrend	gold exploration
Salt Lake Potash	SO4		risen to resistance line	potash
St Barbara	SBM		secondary downtrend	gold
Sandfire Resources	SFR		breached downtrend	copper
Santos	STO		strongly higher	oil/gas
Saturn Metals	STN		heavy fall	gold exploration
Sheffield Resources	SFX		rising	mineral sands
Sky Metals	SKY		back in downtrend	gold exploration
St George Mining	SGQ		down	nickel
Silex Systems	SLX		off its highs	uranium enrichment technology
Silver Mines	SVL		on support line	silver
Sipa Resources	SRI		down	general exploration - Ni,Cu, Co, Au
Stanmore Coal	SMR		breached steepest downtrend	coal
Strandline Resources	STA		still in downtrend	mineral sands
Sunstone Metals	STM		down again	
Talga Resources	TLG		breached support line, down	graphite
Technology Metals	TMT		back to highs	vanadium
Tesoro Resources	TSO		down	gold exploration
Theta Gold Mines	TGM		off its highs	gold
Thor Mining	THR		lower	gold exploration
Tietto Minerals	TIE		down again	gold
Titan Minerals	TTM		stronger	gold
Vango Mining	VAN		down	gold
Venturex	VXR		weaker	zinc

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Vimy Resources	VMY		steeply higher	uranium
West African Resources	WAF		down	gold
Westgold Resources	WGX		down	gold
West Wits Mining	WWI		off its highs	gold
Western Areas	WSA		heavy fall	nickel
Whitehaven Coal	WHC		on support line	coal
Wiluna Mining	WMX		down	gold
Yandal Resources	YRL		down	gold exploration
Zinc Mines of Ireland	ZMI		secondary downtrend	zinc
Totals	46%	68	Uptrend	
	33%	49	Downtrend	
		149	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	36	24.2%	
Gold Exploration	25	16.8%	
Nickel	12	8.1%	
Copper	10	6.7%	
Oil/Gas	7	4.7%	
Lithium	8	5.4%	
Zinc/Lead	7	4.7%	
Rare Earths	8	5.4%	
Mineral Sands	5	3.4%	

Iron Ore/Manganese	5	3.4%	
Potash/Phosphate	5	3.4%	
Coal	4	2.7%	
Uranium	4	2.7%	
Graphite	2	1.3%	
Bauxite	2	1.3%	
Silver	2	1.3%	
Cobalt	1	0.7%	
Tin	1	0.7%	
Diamonds	1	0.7%	
Other	4		
Total	149		

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