

West Wits uranium offers great upside for traders

The run up before Christmas was almost unbelievably strong. It was always going to lose momentum, then tip over. So, it should not surprise us that 2024 has seen a return to rationality. The US\$ has strengthened as the premature enthusiasm for interest rate cuts is being purged from our thought processes. We are back to a market that is lacking in velocity for the time being and could well drift lower.

Uranium on a tear, but what about WWI?

The uranium price, and the uranium stocks, have been on a tear this week with the spot price hitting a 15 year high, breaking US\$100/lb. Brokers have been ringing me looking for new uranium deals, commenting that the market is hungry for new entry points into the sector. In a word, uranium is hot right now. Will it last? Sure you will get your fluctuations, but there is nothing to say this run will be over in a hurry.

There is one uranium project that has been totally overlooked by the market. West Wits has reported an Exploration Target of 12-16 Mlbs at 300-550 ppm U₃O₈ on its licences in South Africa. It should take only \$1-2m of drilling to elevate the Target to a JORC resource.

Interestingly, the orebodies could be accessed from the existing shafts and declines into the gold workings. Indeed, most of the Target is situated in reefs only 15m from some parts from the gold orebodies on the Bird Reef already in JORC resource. That offers an excellent low capex possibility of contemporaneous development of both the uranium and gold. Historical mining on these leases totalled about 37 Mlb, so there are no uncertainties regarding the metallurgy and the recoverability. But wait, it gets better. There is also up to 2-3 gpt gold in these uranium-hosting structures, which are completely separate from WWI's announced Qala Shallows gold project.

There are many uranium exploration stories running in the market, with the vast majority of them not having the technical credibility of what has already been announced by WWI.

If you use a rule of thumb that uranium is worth US\$2.00/lb in the ground, the West Wits target could be worth A\$32m (WWI's share) once the drilling upgrades its status. That is more than the \$27m market capitalisation of the Company today!

We have always said that WWI is priced too cheaply in the market. The calculation above confirms this opinion. You could well find that a demerger unlocks significant value so it is something to think about.

Disclosure: Interests associated with the author owns shares in West Wits. The author is a director of West Wits.

Ambient solar cells achieving publicity

When I read an article in the Australian on 11/1/24, saying that Ambient Photonics was an Amazon-backed start-up that had developed small indoor solar panels, I immediately wondered what the implications were for the unlisted company Halocell (formerly Greatcell). Ambient claimed that its product was three times more powerful than those used in calculators and were good enough to replace AA and AAA batteries in many household devices. The article said that the technology had been around for 40 years but previously it lacked the power to be sufficiently effective.

Samsung has developed amorphous silicon cells for use on devices like remote controls for TVs, but they are lacking on a number of fronts. Ambient claims to have developed cells that are 350% more powerful.

Ambient has done well to get the publicity, but if you take a closer look you will see that this "old" technology has been overtaken by recent development in perovskite solar cells. In fact, Halocell, one of the world's leading developers of the perovskite solar cells, emerged from the ashes of Dyesol the used similar technology to that being used by Ambient. That was an ASX-listed company that promised wonderful developments with a new generation of solar cells but alas, it crashed and burned. From what I can tell, perovskite cells offer much more exciting opportunities.

The Australian ran another article a few days later that covered the development of perovskite cells in Japan, being aided by subsidies and other support, to counter the dominance of China in the solar energy sector. The Japanese interface relates back to the discovery by Japanese scientist Tsutomu Miyasaka of the cells that use minerals to form a crystal structure called perovskite. A key element is iodine and Japan is the third largest producer of iodine.

China currently accounts for 97% of world supplies of silicon solar cells. While there is no suggestion that China may misbehave with this level of dominance, there is always that risk. Japan, in particular, is feeling uneasy. That is why there is a strong political push to develop alternative technologies such as perovskite solar cells.

Where Halocell (Greatcell) fits in the mix

So that is what is happening overseas. Of immediate interest to us is the implication for Halocell, given we have assisted in capital raisings in the past. Recall that Halocell is an unlisted, early stage perovskite development company based in Wagga Wagga. At this stage its products have been designed for use indoor, taking ambient or low-level light sources and converting it to electricity for use in consumer products use as remote controls for TVs, amongst other things. Described as feeling something like camera film, a cell is 1/10th the weight and 1/20th the thickness of solar cells. Of collateral interest are the benefits that First Graphene's PureGRAPH bring to the

table, enabling up to 80% reduction in the cost of materials used in a perovskite cell.

When we revisited Halocell almost a year ago it was struggling to raise more capital. While it had strong interest from Japanese and Korean companies, it still didn't have firm orders; plenty of encouragement, but no orders. However, it recently raised \$1.6m and it has received a CRC funding facility from the Federal Government. The ball has started rolling in earnest and the company is transitioning from an R&D vehicle into a manufacturing company. It recently purchased second hand equipment for about \$300,000, being less than half the cost of the new price. This will be dedicated to the drone and satellite markets.

While not yet a firm contract, Halocell has received strong interest from Atec, a Korean company that could be wanting 70 million units p.a. for use in electronic supermarket shelf labelling. Samsung is also a potential candidate to take 30 million units p.a.

Two other potential customers, in Australia, are Gilmore Space Technologies based on the Gold Coast, and V-TOL Aerospace Pty Ltd, a 100% Australian owned SME, incorporated in 2004. Gilmore is planning to be Australia's answer to SpaceX. It recently received a \$50m grant towards a \$150m project.

V-TOL specialises in design, manufacturing, and technical systems support for Small Unmanned Aircraft Systems (S-UAS), for enterprise-level and government organisations. Using batteries supplied by Li-S, they can extend the flying time of drones by a significant multiple.

Disclosure: Interests associated with the author owns shares in Halocell and First Graphene. The author is a director of First Graphene. Capital raising fees have been earned.

When looking at new technologies ...

We are always on the lookout for new technology investments in the hope that they might develop into the "magic pudding". The first questions relate to who has the IP, and who are the competitors. The answers we receive are never perfect because everyone has incomplete knowledge on what other developers are working on elsewhere in the world. When news comes out of left field, like the article in The Australian, we scramble around to place it in context. Here, is it better than Halocell's product? Which is the most advanced company along the commercialisation path? Is there room for more than one player? It is essential to get a handle on the relative merits in order to be backing the winner.

Once the technical merits are assessed, the next line of enquiry will try to determine which is the most likely to succeed commercially. That comes down to marketing reach, business relationships and in this case, the level of government support. While this plays out over time, the increasing awareness of the product and the public exposure is going to benefit all participants to some extent as it starts to enter mainstream thought processes.

The recent news flow on alternative solar cells is good for Halocell as this sector starts to move towards the

mainstream. New technology always takes longer to commercialise than we expect and it always involve many twists and turns, but recent news flow has been encouraging.

Magnetic looking to monetise its gold discovery

Magnetic Resources (MAU) dropped around last week to update us on the progress of its 100%-owned Laverton gold exploration project in the same neighbourhood of very large gold mines such as Wallaby and Sunrise Dam. My first question to George Sakalidis was "How are you going to turn this into cash for shareholders?"

The resource was updated last November, demonstrating 10.4 Mt at 1.74 gpt (548,430 oz) in the Indicated category and 12.2 Mt at 1.65 gpt (651,360 oz) in the Inferred category. These resources are in three deposits with an average grade of 1.87 gpt. The resources should be open pit, being within 250m of the surface.

Importantly, there is a higher grade component of 850,000 oz at 2.02 gpt at Lady Julie North 4.

The discovery costs work out at \$24/oz, meaning expenditure of \$27m to get to this 1.2 Moz resource level. At the moment the market capitalisation is \$220m, or \$185/oz. So, the market is already placing a sizeable price tag on the deposits. Maybe that is fair given the relatively high grade (for an open pit).

Magnetic is expecting to release a feasibility study in February. The purpose of the road trip to the east was to raise investor awareness ahead of that event. George stated adamantly that this was a non-deal road show.

We ran through a few features of the orebodies;

- shallow amounts of transport material overlie the oxide resource
- don't expect a supergene zone
- most of the gold is in heavily altered breccia and silica pyrite zones of varying composition, but gold is also in other structures
- Still verifying the structure interpretation
- generally a 45 degree dip
- potentially open pit to 300m, with a reasonable estimate being a waste to ore ratio of 10:1
- oxidised to a depth of at least 150m
- lost of coarse gold but not nuggety. A gravity circuit will be needed
- lower cut-off grade is 0.5 gpt
- not many intercepts above 20 gpt
- deepest holes has been down to 580m depth
- can extrapolate the ore zone up to 2km down dip to the east (at which point it would be an underground mine)

Magnetic has applied for a mining licence. The Native Title process is expected to take about six months.

The path to monetisation

George is a geophysicist. His speciality is finding orebodies as opposed to developing mines. Thus it should not be surprising that he is looking into ways to monetise the discoveries. The resources are large enough to support a new development producing 100,000 oz p.a., but why bother to do this if you can get a good deal from one of the

many processing plants in the neighbourhood looking for mill feed?

Magnetic could just sell the orebodies for a figure, but it would need to be more than \$185/oz to justify the market capitalisation. Would a company pay more than \$220m? Alternatives could be a tolling arrangement or a joint venture but these would release value over an extended period rather than offering a quick exit.

Genesis owns a 2.8 Mtpa plant only 10 km away, but it is sitting there doing nothing. Goldfield's 3.5 Mtpa Granny Smith plant is operating at only 50% capacity. It could benefit greatly from Magnetic's feed.

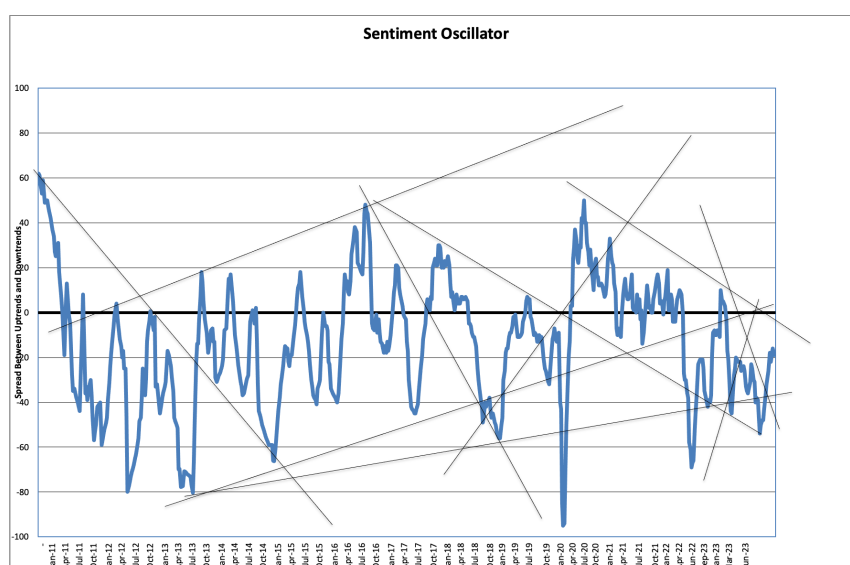
One could idealistically say that Adam Smith's invisible hand will lead to the optimum result, but egos invariably get in the way. So many people want to screw the other party rather than doing a win-win deal. It will be interesting to see how this one pans out. There have been numerous

examples of M&A in the Leonora-Laverton area. The deposits that Magnetic has would be of considerable interest.

The Bottom Line

Magnetic doesn't have to be in a hurry to do a deal. It has approximately \$3m in the bank. The more it drills, the larger the resource becomes. The positive outlook for gold will lead to growing value even while the gold just sits in the ground. Thus it is well leveraged to the gold price. You could say that time is on Magnetic's side rather than in the hands of the nearby mills. The next guide as to the economic value will come with the release of the feasibility study in February. This is likely to be strongly positive.

We have deleted Dateline and Matador (MZZ) from chart coverage.



Sentiment Oscillator: Sentiment weakened a little. There were 28% (29%) of stocks in uptrend and 49% (48%) in downtrend at the close of the week.

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 highs	
Metals and Mining	XMM	off its highs	
Energy	XEJ	breached downtrend	
Information Technology	XIJ	rising	
Stocks	Code	Trend Comment (updated comments in bold)	Main Interest
5EA Advanced Materials	5EA	another new low	boron
92 Energy	92E	rising	uranium
Adriatic Resources	ADT	new high	zinc, polymetallic

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Advance Metals (was Pacific American)	AVM		back to lows	coal, gold exploration
Aguia Resources	AGR		new uptrend	phosphate, copper exploration
Alkane Resources	ALK		down	gold
Alicanto Minerals	AQI		back to lows	base metals, silver, gold
Alligator Energy	AGE		rising again	uranium
Almonty Industries	All		rising	tungsten
Alpha HPA	A4N		strong recovery	HPA
Altech Chemical	ATC		sideways	HPA, anodes
Aito Metals	AME		at lows with a placement	gold exploration
American Rare Earths	ARR		sideways	rare earths
Anax Metals	ANX		new low	copper
Anteotech	ADO		uptrend	silicon anodes, biotech
Antilles Gold	AAU		new low	gold and copper expl.
Arafura Resources	ARU		new low	rare earths
Ardea Resources	ARL		secondary downtrend	nickel
Arizona Lithium	AZL		down heavily	lithium
Astral Resources	AAR		gentle downtrend	gold
Averina	AEV		gentle uptrend	phosphate
Aurora Energy Metals	1AE		rising	uranium
Aurelia Metals	AMI		sideways	gold + base metals
Australian Rare Earths	AR3		at lows	rare earths
Australian Strategic Materials	ASM		continuing lower	rare earths
Azure Minerals	AZS		another surge higher then pullback	nickel exploration
BHP	BHP		steep fall from high	diversified, iron ore
Barton Gold	BGD		rising	gold exploration
Beach Energy	BPT		breached uptrend	oil and gas
Bellevue Gold	BGL		new high	gold exploration
Besra Gold	BEZ		recovering from lows	gold
Black Cat Syndicate	BC8		steep rally	gold
BMG Resources	BMG		down	gold exploration
Boab Metals	BML		struggling after steep rise	silver/lead
Cadoux (was FYI)	CCM		testing steepest downtrend	HPA
Calidus Resources	CAI		new uptrend	gold
Caravel Minerals	CVV		strong rally	copper
Carnaby Resources	CNB		secondary downtrend	copper
Castile Resources	CST		risen to meet resistance line	gold/copper/cobalt
Cazaly Resources	CAZ		back to downtrend	rare earths
Celsius Resources	CLA		sideways	copper
Cobalt Blue	COB		down again	cobalt
Cyprium Metals	CYM		forming a base	copper
Ecograf	EGR		turning down at resistance line	graphite
Emerald Resources	EMR		rising, new high	gold
Empire Energy	EEG		fallen to support line	gas
EQ Resources	EQR		breaching downtrend	tungsten

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Euro Manganese	EMN	■	continuing down	manganese
Evolution Energy	EV1	■	new low	graphite
Evolution Mining	EVN	■	crashed lower	gold
First Graphene	FGR	■	breached uptrend	graphene
Fortescue Metals	FMG	■	off its high	iron ore
Galena Mining	G1A	■	suspended	lead
Genesis Minerals	GMD	■	on support line	gold
Genmin	GEN	■	suspended	iron ore
Gold 50	G50	■	sideways through downtrend	gold exploration + gallium
Great Boulder Resources	GBR	■	new low	gold exploration
Group 6 Metals	G6M	■	down	tungsten
Hamelin Gold	HMG	■	new low	gold exploration
Hastings Technology Metals	HAS	■	back to lows	rare earths
Hazer Group	HZR	■	continuing down	hydrogen
Heavy Minerals	HVY	■	sideways through downtrend	garnet
Hillgrove Resources	HGO	■	rising gently	copper
Iluka Resources	ILU	■	heavy fall	mineral sands
ioneer (was Global Geoscience)	INR	■	down	lithium
Ionic Rare Earths	IXR	■	breached downtrend	rare earths
Jervois Mining	JVR	■	testing uptrend	nickel/cobalt
Jindalee Lithium	JLL	■	breached downtrend	lithium
Kaiser Reef	KAU	■	new low	gold
Krakatoa Resources	KTA	■	collapse on low grades from lithium drilling	rare earths
Kingfisher Mining	KFM	■	breached downtrend	rare earths
Lepidico	LPD	■	new low	lithium
Lindian Resources	LIN	■	testing downtrend	rare earths + bauxite
Lion One Metals	LLO	■	gentle downtrend	gold
Li-S Energy	LIS	■	new low	Lithium sulphur battery technology
LCL Resources	LCL	■	back to lows	gold exploration
Lotus Resources	LOT	■	rising	uranium
Lucapa Diamond	LOM	■	sideways	diamonds
Lunnon Metals	LM8	■	new low	nickel
Lynas Corp.	LYC	■	still down	rare earths
Marmota	MEU	■	surged higher	gold exploration
Mayur Resources	MRL	■	testing uptrend	renewables, cement
Meeka Gold	MEK	■	down	gold
MetalsX	MLX	■	down	tin, nickel
Meteoric Resources	MEI	■	off its high	rare earths
Metro Mining	MMI	■	sideways	bauxite
Midas Minerals	MM1	■	slump	lithium
Nagambie Resources	NAG	■	down	gold, antimony
Neometals	NMT	■	new low	lithium
Newfield Resources	NWF	■	down	diamonds
Nexgen Energy	NXG	■	rising	uranium

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Northern Star Res.	NST		rising	gold
Nova Minerals	NVA		off its highs	gold exploration
Pacific Gold	PGO		breached short term uptrend	gold exploration
Paladin Energy	PDN		new high	uranium
Pantoro	PNR		breached short term uptrend	gold
Patriot Battery Metals	PMT		breached uptrend	lithium
Peak Resources	PEK		new low	rare earths
Peninsula Energy	PEN		breached downtrend	uranium
Perseus Mining	PRU		on support line	gold
Poseidon Nickel	POS		collapse	nickel
Provaris Energy	PV1		down	hydrogen
QMines	QML		new low	copper
Queensland Pacific Metals	QPM		long term down	nickel/cobalt/HPA
RareX	REE		downtrend	rare earths, phosphate
Regis Resources	RRL		rising	gold
Regergen	RLT		breaching downtrend	gas, helium
Richmond Vanadium	RVT		heavy fall on release of escrowed shares	vanadium
RIO	RIO		off its highs	diversified, iron ore
Rumble Resources	RTR		secondary downtrend	gold exploration
S2 Resources	S2R		down	gold exploration
Sandfire Resources	SFR		rising again	copper
Santos	STO		weaker	oil/gas
Sarama Resources	SRR		at rock bottom	gold exploration
Sarytogan Graphite	SGA		new low	graphite
Siren Gold	SNG		bounced from lows	gold exploration
South Harz Potash	SHP		testing downtrend	potash
Southern Cross Gold	SXG		resting on support line	gold exploration
Southern Palladium	SPD		falling again	PGMs
Stanmore Coal	SMR		new high	coal
Strandline Resources	STA		suspended	mineral sands
Sunstone Metals	STM		meeting resistance line	gold/copper exploration
Suvo Strategic Minerals	SUV		sideways	kaolin
Talga Resources	TLG		heavy fall	graphite
Tamboran Resources	TBN		breached uptrend	gas
Technology Metals	TMT		down	vanadium
Theta Gold Mines	TGM		sideways	gold
Thor Energy	THR		new uptrend	uranium
Tietto Minerals	TIE		surge on takeover approach	gold
Vanadium Resources	VR8		drifting lower	vanadium
Venture Minerals	VMS		down	tin, tungsten
Vintage Energy	VEN		breached downtrend	gas
Voltaic Strategic Resources	VSR		new low	REO + lithium
West Cobar	WC1		spike, but then a pullback	rare earth + lithium
Westgold Resources	WGX		new high	gold

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West Wits Mining	WWI		sideways	gold
Whitehaven Coal	WHC		breached downtrend	coal
Xantippe Resources	XTC		suspended	lithium
Zenith Minerals	ZNC		strong rise	gold exploration
Totals	28%	38	Uptrend	
	49%	68	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 Exploration	18	13.0%	
Gold	19	13.8%	
Rare Earths	14	10.1%	
Lithium	10	7.2%	
Copper	9	6.5%	
Uranium	9	6.5%	
Oil/Gas	8	5.8%	
Nickel	6	4.3%	
Iron Ore/Manganese	5	3.6%	
Graphite/graphene	5	3.6%	
Silver	4	44.4%	

Tungsten	3	2.2%	
Mineral Sands	2	1.4%	
Vanadium	3	33.3%	
Zinc/Lead	2	1.4%	
Coal	2	1.4%	
Potash/Phosphate	3	2.2%	
Bauxite	2	1.4%	
Tin	2	1.4%	
Cobalt	1	0.7%	
Diamonds	2	1.4%	
Other	9		
Total	138		

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