

Longer and Stronger with Gold Being the Poster Boy

Last week it was fairly quiet with the Sentiment Oscillator being steady. While the market continued to be in a correcting pattern, it has not really given up much ground as the correction has not been severe. Perhaps the sabre rattling concerning Iran has been the dominant influence, driving the gold price back above US\$5,100/oz.

RIU Explorer Conference, Fremantle

I spent much of last week talking to companies presenting at the RIU Explorers Conference, gathering information for research notes that will come out in subsequent weeks. It is never easy to get down to detail in such a busy venue so there is further work required to ensure anything I pass on is balanced and accurate.

One theme that I will be focusing on is the gold exploration business in Côte d'Voire. When I was travelling to West Africa, around 2010, taking investors around to impress upon them the potential of countries like Burkina Faso, Ghana and Mali, Côte d'Voire was out of bounds due to a civil war. Now it is Burkina Faso and Mali that are higher risk due to jihadist activities. Côte d'Voire has come into prominence due to a number of recent discoveries owing to excellent geology. It is worth having a proper look.

Two Key Drivers of the Market

When you get a gathering like at an RIU conference, attendees are always keen to get my views about the market. We all know it is a great market and nothing goes up forever, but just now I don't get the impression that too many people are looking to press the "sell" button. For what it is worth, I made the comment that this is the best sustained resource market I have seen in 50 years and it is going to surprise people with its longevity. What is so different this time? Two reasons.

Firstly, gold is going through a structural change - a perception change - whereby it is not acting like a commodity in a normal trading pattern. It is being re-rated as an alternative currency.

Secondly, the Americans are discovering that minerals are important. For decades they assumed that they could buy whatever they wanted by going into the open market. They were running down strategic stockpiles without a care in the world. Then along came China, and everything changed.

The USA is focused upon rebuilding strategic stockpiles and it is now prepared to throw mountains of money into

the sector. At the same time, they have rejuvenated the Canadian mining sector as a useful conduit for the money.

Everyone is looking for opportunities. Institutions have never been so serious about throwing money into the sector. Some of the ASX deals being announced recently have been symptomatic of the enthusiasm. I can't see it collapsing in the foreseeable future though there will always be ups and downs.

What a Difference a Year Makes!

A year ago West Wits Mining (WWI) was struggling around 1.5¢ in the market as it was trying to raise money for the Qala Shallows Gold Project in South Africa. In the last fortnight it has traded up to 9.3¢, a 520% increase from a year ago. A few things have worked in its favour;

1. the securing of debt and equity finance for the project,
2. the commencement of mining in October, and of course,
3. the gold price has been much stronger.

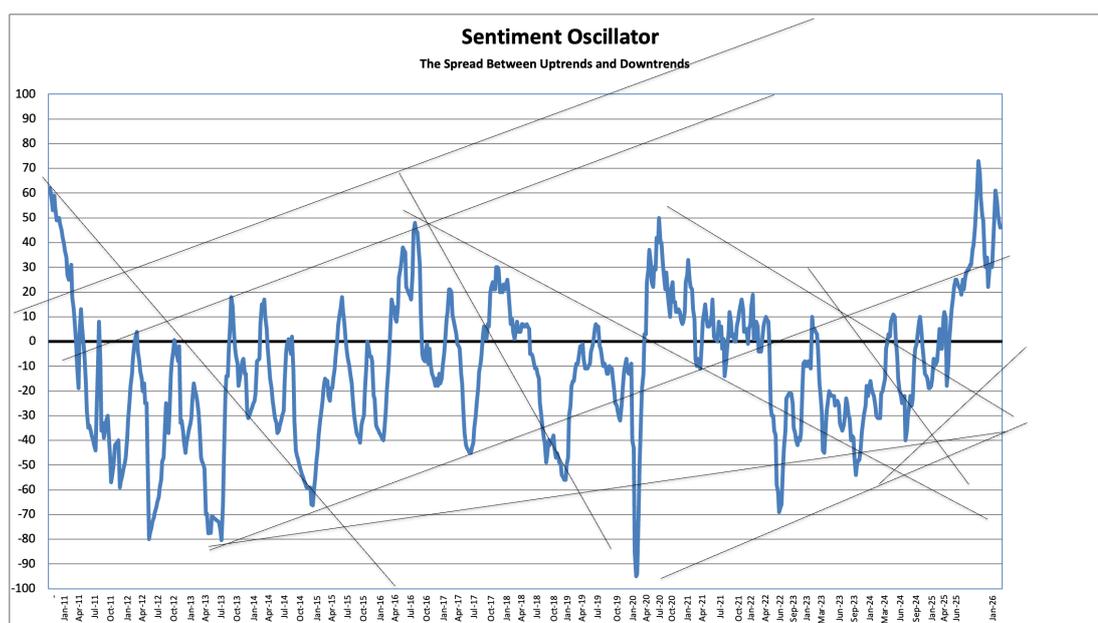
More recently, the Company announced the securing of an additional Mining Right that boosted the resources to 7.2 Moz (74% WWI). There are not many companies out there with this sort of impressive resource base.

Further, WWI announced that it is commencing a study to accelerate Project 200. The Qala Shallows 70,000 oz p.a. rate will be supplemented by additional production to achieve an aspirational 200,000 oz p.a. target rate sooner than was initially expected. WWI is well on the path to becoming a serious scale gold producer.

When West Wits Chairman, Michael Quinert, presented last week he threw in an impressive point; the Kalgoorlie Super Pit has produced 65 Moz of gold in its history. There have been 30 Moz of gold produced on West Wits' leases. Think about it for a minute. Incredible, but true. Both locations have plenty more gold awaiting mining.

WWI is a good example of a gold stock that had previously been neglected but is now very much in favour. What a difference a year makes.

Disclosure: Interests associated with the author own shares in West Wits, and the author is a NED.



Sentiment Oscillator: Sentiment was slightly weaker last week. There were 59% (61%) of shares under coverage in uptrend, and 13% (13%) 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	rising again	
Metals and Mining	XMM	consolidating	
Energy	XEJ	rising	
Stocks	Code	Trend Comment (updated comments in bold)	Main Interest
Aguia Resources	AGR	new low	phosphate, gold
Alkane Resources	ALK	correction and a rally	gold
Alicanto Minerals	AQI	adjusting to 12 into 1 consolidation	base metals, silver, gold
Alligator Energy	AGE	correcting and rallying	uranium
Almonty Industries	All	surge to new high	tungsten
Alpha HPA	A4N	down	HPA
American Rare Earths	ARR	improving	rare earths
American Tungsten & Antimony	AT4	pullback	antimon
Anax Metals	ANX	new high	copper
Andean Silver	ASL	breaching uptrend	silver
Arafura Resources	ARU	testing uptrend	rare earths
Ardea Resources	ARL	rising again	nickel
Ark Mines	AHK	down	rare earths
Astral Resources	AAR	new high	gold
Aureka	AKA	breached uptrend	gold exploration
Auric Mining	AWJ	rising	gold

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Aurora Energy Metals	1AE		heavy correction	uranium
Aurelia Metals	AMI		improving	copper + base metals
Aurum Resources	AUE		improving	gold
Australian Gold and Copper	AGC		rising	base metals, silver, gold
Australian Rare Earths	AR3		collapse through support	rare earths
Australian Strategic Materials	ASM		consolidating	rare earths
BHP	BHP		new high	diversified, iron ore
Ballard Mining	BM1		pullback	gold
Ballymore Resources	BMR		heavy pullback	gold exploration
Barton Gold	BGD		pullback	gold exploration
Beach Energy	BPT		at resistance line	oil and gas
Beetaloo Energy	BTL		breached uptrend	gas
Bellevue Gold	BGL		higher	gold
Besra Gold	BEZ		rising again	gold
Black Cat Syndicate	BC8		new high	gold
Boab Metals	BML		at highs	silver/lead
Brazilian Rare Earths	BRE		breaching downtrend	rare earths
Brightstar Resources	BTR		consolidating	gold
Caravel Minerals	CVV		rising	copper
Carnaby Resources	CNB		rising	copper
Castile Resources	CST		sideways	gold/copper/cobalt
Catalyst Metals	CYL		testing uptrend	gold
Cazaly Resources	CAZ		down	rare earths
Centaurus Metals	CTM		new high	nickel/cobalt/HPA
Challenger Gold	CEL		improving	gold
Cobalt Blue	COB		down	cobalt
CuFe	CUF		new high	bismuth
Cyprium Metals	CYM		higher	copper
Emmerson Resources	ERM		new high	gold
EQ Resources	EQR		strongly higher	tungsten
Estrella Resources	ESR		consolidating	manganese
Evolution Mining	EVN		new high	gold
Felix Gold	FXG		testing uptrend	gold exploration, antimony
Finder Energy	FDR		surge through downtrend	oil/gas
First Graphene	FGR		rallying	graphene
Flagship Minerals	FLG		new high	gold
Genesis Minerals	GMD		surge to new high	gold
Globe Metals and Mining	GBE		spiked higher	niobium
Gold 50	G50		new high	gold exploration + gallium
Golden Horse	GHM		down	gold exploration
Great Boulder Resources	GBR		steeply higher	gold exploration
Green360 Tech	GT3		sideways	kaolin
Hamelin Gold	HMG		breached downtrend	gold exploration
Hawk Resources	HWK		heavy pullback	scandium

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Heavy Minerals	HVY	orange	testing uptrend	garnet
Hillgrove Resources	HGO	orange	breaching uptrend	copper
Iltani Resources	ILT	orange	heavy pullback	antimony
Iluka Resources	ILU	green	rising again	mineral sands
Investigator Resources	IVR	green	sideways at highs	silver
Jupiter Mines	JSM	green	improving	manganese
Kairos Minerals	KAI	green	rising	gold
Kaiser Reef	KAU	green	improving	gold
Kalamazoo Resources	KRZ	green	rising	gold
Kalina Power	KPO	orange	breached uptrend	carbon sequestration
Koba Resources	KOB	orange	breached downtrend	uranium
Larvotto Resources	LRV	green	return to highs	gold, antimony
Litchfield Resources	LMS	green	consolidating	copper exploration
Lindian Resources	LIN	green	rising	rare earths + bauxite
Lode Resources	LDR	orange	breached uptrend	antimony, silver
Lotus Resources	LOT	red	longer term downtrend	uranium
Lynas Corp.	LYC	green	breached downtrend	rare earths
Many Peaks	MPK	orange	sideways	gold exploration
Marmota	MEU	orange	testing uptrend after placement	gold/uranium exploration
Matsa Resources	MAT	green	rising	gold
Meeka Gold	MEK	green	at highs	gold
MetalsX	MLX	green	new high	tin, nickel
Meteoric Resources	MEI	green	rising again	rare earths
Metro Mining	MMI	green	rising again	bauxite
Midas Minerals	MM1	green	rising	lithium
Mithril Silver & Gold	MTH	red	down	silver, gold
Native Mineral Resources	NMR	orange	breached downtrend	gold
New Murchison	NMG	green	rising	gold
New World Resources	NWC	green	rising	copper
Nexgen Energy	NXG	green	rising again	uranium
Northern Star Res.	NST	green	rising again	gold
Nova Minerals	NVA	red	heavy fall	gold exploration
Novo Resources	NVO	orange	heavy correction	gold exploration
Omega Oil	OMA	green	rising	oil
Pacific Gold	PGO	green	spiked higher	gold exploration
Pacific Lime & Cement	PLA	green	rising.gently	renewables, cement
Paladin Energy	PDN	green	heavy correction	uranium
Pantoro Gold	PNR	orange	heavy correction	gold
Patriot Battery Metals	PMT	green	heavy correction	lithium
Peninsula Energy	PEN	orange	heavy correction	uranium
Perseus Mining	PRU	green	new high	gold
QMines	QML	orange	rallying	copper
Queensland Pacific Metals	QPM	orange	sideways	nickel/cobalt/HPA
Regis Resources	RRL	green	rising	gold

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Revolver Resources	RRR		breached uptrend	copper
Richmond Vanadium	RVT		spiked higher	vanadium
RIO	RIO		new high	diversified, iron ore
Rox Resources	RXL		rising	gold
RTG Mining	RTG		improving	copper
Rumble Resources	RTR		rising	zinc, gold, tungsten exploration
S2 Resources	S2R		down	gold exploration
Santana Minerals	SMI		rising	gold
Santos	STO		slump	oil/gas
Sarytogan Graphite	SGA		sideways	graphite
Scorpion Minerals	SCN		rallying	gold exploration
Siren Gold	SNG		testing uptrend - legal proceedings	gold exploration
Somerset Minerals	SMM		testing downtrend	copper exploration
Southern Palladium	SPD		breached uptrend	PGMs
Stanmore Coal	SMR		heavy slump	coal
St George Mining	SGQ		breached downtrend	rare earths, niobium
Stellar Resources	SRZ		new high	tin
Sun Silver	SS1		higher	silver
Sunrise Metals	SRL		new high	scandium
Talga Resources	TLG		down	graphite
Tamboran Resources	TBN		rising	gas
Theta Gold	TGM		breaching downtrend	gold
Toro Energy	TOE		spiked higher	uranium
Torque Metals	TOR		weaker	gold exploration + lithium
Toubani Resources	TRE		rising, gently	gold
Verity Resources	VRL		testing downtrend	gold
Vertex Minerals	VTX		down	gold
Waratah Minerals	WTM		down	gold exploration
Westgold Resources	WGX		new high	gold
West Wits Mining	WWI		rising	gold
Whitehaven Coal	WHC		rising again	coal
White Cliff Minerals	WCN		down	copper exploration
WIN Metals	WIN		down	gold
Yandal Resources	YRL		down	
Totals	59%	84	Uptrend	
	13%	19	Downtrend	
		142		

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	38	26.8%	
Gold Exploration	22	15.5%	
Copper	14	9.9%	
Rare Earths	11	7.7%	
Uranium	8	5.6%	
Oil/Gas/Hydrogen	6	4.2%	
Silver	5	3.5%	
Antimony	4	2.8%	
Iron Ore/Manganese	4	2.8%	
Lithium	2	1.4%	
Graphite/graphene	3	2.1%	
HPA/Kaolin	3	2.1%	
Nickel	2	1.4%	
Scandium	2	1.4%	
Tungsten	2	1.4%	
Tin	2	1.4%	
Coal	2	1.4%	
Bismuth	1	0.7%	
Niobium	1	0.7%	
Potash/Phosphate	1	0.7%	
Vanadium	1	0.7%	
Zinc/Lead	1	0.7%	
PGMs	1	0.7%	
Mineral Sands	1	0.7%	
Bauxite	1	0.7%	
Cobalt	1	0.7%	
Other	3	2.1%	
Total	142		

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