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FAR EAST CAPITAL
The Mining Investment Experts

Weekly Commentary

23 October 2021 *On Friday's Close* Analyst : Warwick Grigor

You don't see a 373m intercept at 3.8 gpt very often
Nova Minerals

Energy costs are on a tear

Since May 2021, the price of a basket of coal, oil and gas has surged by 95%. We didn't need OPEC to put us through this sort of pain, holding us to ransom like it did in the 1970s. We did it to ourselves!

With hydrocarbon products such as oil and gas driving up transport costs, and thermal coal making electricity more expensive, we are starting to see the true cost of the obsession with alternative energy flowing through to the wider community. There has always been a need for a balanced approach along the path, but look what happens when you move too quickly. Any industry and any service that needs oil or gas will find that supply lines are going to become increasingly tighter, as well as more expensive. Shipping costs have soared. Oil, gas and coal prices will remain high, indefinitely, due to a lack of investment in new productive facilities. We are starting to see a man-made economic disaster of a different kind.

The inflation debate is becoming complicated

The inflation debate is becoming multi-dimensional with concerns not only about supply shortages but also now, a wage-price spiral. American hourly pay rates rose by 4.6% in the year to September while the CPI rose 5.4%. A similar trend is being seen all around the globe. This adds another dimension to what was previously described as a short term phenomenon - short term supply disruptions because of the virus.

While the central banks are trying to placate our expectations and fears on the inflationary outlook, they are starting to fall behind the eight ball. They are losing the initiative as inflationary expectations are starting to get a foothold.

It is 30 years since inflation was purged from the system through a combination of measures, including recession and manipulation of the methods used to calculate the rate the CPI. This means most of the players in the market have little or no experience in dealing with the disruption that comes with inflation. The text books will tell you what is supposed to happen and which investments will perform best, but at best you should see these as suggestions only.

Inflation will lead to higher interest rates and these will cause bond prices to fall along with shares held for dividend yield. There is no doubt about that, but what does it do for assets such as orebodies and stockpiles. They should become more valuable, but we will see.

Nova Minerals could be onto a real winner

I was introduced to Nova Minerals (NVA) last week by a broker who wanted me to look at a 373m intercept grading 3.8 gpt, which is an attention grabber in any language. So, I had a zoom meeting with two executives directors based in Alaska, and learnt that this is an unusual, but very interesting company. It has a headline Inferred Resource of 4.7 Moz of gold in what is a huge low-grade deposit, but the recent drill hole on a different prospect opens the door to a more tantalising discovery.

First, an amazing intercept of 383m at 3.8 gpt

I don't know whether I have ever seen an intersection this impressive, from surface (actually, from 7m down hole). Within this length were a number of smaller (still big) intercepts that included;

- 241m at 5.7 gpt from 7m,
- 123m at 10.8 gpt from 95m and
- 86m at 14.1 gpt from 123m.

You have to be careful when you read the ASX release to be sure you don't think this is a set of holes. It is one hole; RPM-005. The company has gone to town to maximise the promotional value of this one hole, giving 14 intervals that overlap in many cases, but that is not necessary. Using my intercept analysis table you can divide the hole into the high-grade, 123m interval at 10.8 gpt, and the balance of the intercept is 260m at 0.49 gpt. All those other intervals are really just data noise. So what is the most important way to look at this discovery hole? I suggest cautious enthusiasm, but we need more holes.

You should note the results of the other holes reported to the ASX, which all suggest a large deposit but a lower grade than Hole 005;

- RPM-001 - 37m at 1.0 gpt from 224m,
- RPM-002 - 128m at 1.0 gpt from 31m,
- RPM-004 - 259m at 0.5 gpt from surface,
- RPM-006 - 175m at 1.3 gpt from surface and
- SE12-008 - 177m at 0.8 gpt (drilled in 2012)

The issue in any mine planning will be whether grade or tonnage is more important. How extensive is the higher grade zone? What will be the marginal cost of the lower grade? The larger the operation the higher the capex. Anything of this size will involve lengthy, detailed studies and a mountain of additional data, and that means time.

The holes at RPM North are being drilled in a radial pattern from one drill pad, which is not uncommon in the early stages of a program, ahead of a more disciplined grid pattern that would enable a systematic calculation of resources. Nevertheless, Nova believes that it can calculate an inferred resource later this year, based on 6-7 holes, but this would be an aggressive approach that involves quite a few assumptions.

Based on the dimensions of 250m of strike, to a depth of 400m and a width of 100m, there could be 26 Mt of rock at RPM. If the grade averaged 2 gpt, you could calculate a resource of 1.5 Moz. That would be a brilliant starting point but there would be much more work required to turn this into something tangible. It remains to be seen whether Hole # 5 was an exceptional hole (in the true sense of the word), or representative of the population. Therein lies the speculation at present.

Excellent address in the Tintina Gold Province

The RPM prospect is one of a number that Nova has at the SW end of the famous Tintina Gold Belt in Alaska. That Belt has a documented history of 200 Moz of gold with 10 Moz deposits being quite common. Australia's Northern Star operates the rich Pogo Gold Mine in the same belt.

Nova's 85%-owned Estelle Project, located 185 km NW of Anchorage and 15 km from an airstrip, comprises several other prospects apart from RPM. Its primary focus has been the bulk-tonnage, low-grade, 4.7 Moz gold deposit at Korbel Main, but that may change with Hole RPM-005.

Korbel Main - 4.7 Moz at 0.3 gpt is challenging

The Korbel Main contains 4.7 Moz over a 1.8 km strike length. The Company is pleased to point out that it has added the last 2 Moz of this figure since 2019, and that recently, 100m spaced lines have extended the prospective strike length to 3.3 km … so invariably it means that the gold resource base will grow significantly. But there is a catch. It is low grade - seriously low. It is focusing on the 0.15 gpt cut-off grade which gives a body of 518 Mt at 0.3 gpt. Even if you lift the cut-off to 0.45 gpt, the resultant orebody is still only 0.6 gpt, with 57 Mt containing 1.1 Moz of gold. The Company likes to insist that the larger resource is economic, but let's wait to see what the future studies show us.

There are metallurgical factors that will make a process flow sheet more complicated than the gravity and free-milling type of CIL operation we are used to in Australia. The gold is associated with arsenopyrite and pyrite in a sheeted vein system, so it will need to go through a flotation circuit and into a concentrate regrind stage before the CIL circuit.

On the flip side, the Company is optimistic that XRT sorting can uplift the grade by 10x, based on the testing of a 588 kg sample. That means the head grade of 0.3 gpt turns into 3 gpt. Maybe this sort of upgrade can be achieved on a large scale and the project could be economic, but it is too early for me to stick my neck out that far. The Company is also optimistic that it can find some higher grade zones to enhance the economics. So, Korbel should be seen as a teaser just now, not just a walk in the park. Though, at the very least, it will be one of the most highly levered gold projects to increases in the gold price.

Other assets

In addition to the Estelle Project, Nova has 74% of Snow Lake Resources, a company with the Thompson Brothers Lithium Project that will soon be IPO'd, with Nova retaining a 65% ownership level after listing. We haven't assessed this project for the purposes of this column. It also has 11.65% of Torian Resources (ASX:TNR) and 9.9% of RotorX eVTOL, a helicopter manufacturer.

The Bottom Line

Following a recent placement of 109 million shares at 11¢ ($12m), and at the recent share price of 15.5¢, Nova has a market capitalisation of around $275m. Does that make it good value? Well, it all depends on the next few drill holes from RPM. If it delivers more holes like RPM-005, then it is probably cheap at these levels. If the next round of assays are circa 1 gpt, then the gloss will come off to some extent. The story then reverts to one of bulk-tonnage, low-grade economics.

Management is best described as enthusiastic and entrepreneurial. It is very excited with the RPM possibilities. It will certainly be an interesting company to follow, on a number of fronts.

Sonoro Gold Corp - an emerging gold producer priced very cheaply in the market

Valuing speculative gold stocks is an imperfect science due the dominant element of expectations and blue sky. That is why they can be so volatile in the market. Gold producers are valued more on actual production and profit performance, though there is usually some exploration blue sky component as well. Emerging gold producers have a foot in both camps with the main uncertainties being the method of financing in the first instance, then the commissioning period and whether or not that flushes out flaws in orebody interpretations and plant design.

Corporate Strategy - to fund exploration growth

A promising emerging gold producer that we caught up with again last week is Canadian-listed Sonoro Gold Corp (TSX.V:SGO), a prospective heap leach gold producer in the mining friendly jurisdiction of Sonora, Mexico. The corporate strategy for the Cerro Caliche Gold Heap Leach Project is to bring it on stream at 56,000 oz p.a. in late 2022, and use the cash flow to expand the initial seven year mine life through further discoveries. Simple. Sonoro believes that there could be up to 1.8 Moz of gold on its leases.

Heap leach versus CIL

The biggest advantage of heap leach projects over conventional milling is the low capital cost, and this is where they are often considered in Australia, in cases of low grade orebodies. However, this is not necessarily the only consideration. You need to consider the rock type and the amount of clay in the orebody, as this can have a big impact on the percolation of the heaps. Too much clay can cause ponding in the heaps and preferential streaming, preventing the fluids from achieving maximum saturation of the pads, and this compromises gold recovery. The oxide, clayey ore in many Australian deposits needs to be agglomerated with cement and this adds to the cost. The better suited orebodies tend to be harder and more brittle, breaking into smaller size rocks when crushed, that percolate well without the generation of too many fines. That is what Sonora has.

Existing resource base of 31.5 Mt for 421,000 oz

The Measured and Indicated Resource in the top 100m is 349,000 oz at 0.41 gpt, with an additional Inferred Resource of 71,000 oz at 0.4 gpt. Sonoro believes there is an additional 19-34 Mt with 200-365,000 oz in areas that have been partially drilled but with insufficient density of holes to be able to estimate a resource yet. Additional drilling could more than double the planned mine life, especially when you consider that 70% of the concession is yet to be drilled.

Getting the economics right

You need to consider many factors when estimating the economics of any gold project. Each one is different. Grade is important but so are the mining costs, largely determined by the waste to ore ratio in an open pit scenario. Here, the waste to ore ratio is a low 2:1, as the orebodies are mostly along the top of outcropping ridges.

Grade and recovery rates determine the revenue per tonne of ore mined, while the processing route will determine treatment costs. Here the gold grade is low at 0.41 gpt and the recovery rate of 74% is typical of what you get in good, low-cost heap leach gold mines. A combination of the above factors delivers mine-site cash costs of US$1,227/oz according to the PEA released in September.

The most intimidating part of any mine development is the capital cost. Engineers love to have as "Rolls Royce" a plant as possible as it makes their job easier, but shareholders don't want to see too much money spent up front as every dollar spent can be dilutionary to their holdings. So, it is a matter of getting a balance.

As we said above, capital costs can be kept to a minimum in heap leach operations. Here, the current budget is for modest capex of US$32m. At recent gold prices and estimated costs this would enable a capital payback of 2.2 years, and that makes for a sound economic rating.

If you look at the very low market capitalisation today of C$20m, you can see that the company really needs to do a gold loan for the bulk of the capex, if it is going to minimise dilution.

Drilling to expand the resource

Based on the drilling undertaken to date, Sonoro expects that it can add 2,000 oz to the resource base with every hole drilled. It is preparing to drill 10,000m, which according to the formula above, could add 200,000 oz i.e. a 50% lift to the inventory. That would significantly add to the value of the project.

Experienced senior management team

John Darch is the Chairman of Sonoro Gold. He has over 35 years experience in the financing and management of natural resource related projects in both the public and private sectors, across a wide range of commodities. The CEO, Kenneth MacLeod, has 35 years experience as an entrepreneur, financier and executive officer in the resource and energy sectors, having served as President, CEO and director of various public and private companies operating in the Americas, Asia and Africa

The Bottom Line

Sonoro offers a very low cost entry to gold production in a proven mining region. While it is not an institutionally large project, with forecast gold production rates of 56,000 oz, the economics seems to stack up very nicely whilst retaining good exploration upside. The PEA is preliminary, and further work will fine tune the numbers, but there doesn't seem to be anything intimidating here. Gold projects like this one can be easily financed.

Given that the cash balance is down to $150,000, we can expect some sort of a raising in the near term. At 20¢, the share price is near the low of the trading range in 2021, being 16¢ to 39¢. Once the issue is digested we can look to the anticipated news flow over the next few months including more detail on the PEA, drilling to expand the mine life, receipt of the environmental permit, followed by construction and ultimately commencement of mining operations.

While we don't know the terms of a raising, FEC has requested that Sonoro reserve some shares for FEC clients if they like what they have read. Note though, that this is Canadian-listed and as such, there is a four month escrow on shares subscribed for in a placement.

BMG drill progress report a mixed bag

We have been waiting a while for assays to come back from the drilling that BMG has been undertaking at the Abercromy. Initial results from the first 24 holes were reported last Monday, but it was rather a mixed bag. Interpretation of the results wasn't made any easier by the wording and formatting of the ASX release, so it isn't surprising that the shares came off 10% on the day .. and continued to fall.

There were a few really good intercepts, but then there were quite a few more that were ordinary, at best. My first reaction after giving the release a spontaneous perusal was one of confusion. I had to go back and look carefully at each hole and see where it fell within the jigsaw puzzle. Having done that, I wasn't much wiser.

The program has a number of objectives but they haven't all been completed - partly because these results amount to only half the program. The use of 4m assay composites deprived the reader of more detailed, useful information. It is not uncommon for companies to save costs by doing 4m composites initially, but it doesn't help the reader. Yes, they are useful in getting assays for a number of elements apart from gold, as any geologist will tell you, but they make it difficult to get an accurate interpretation.

We were keen on Abercromby because of some very good historical grades, while also seeing the potential for lower grade, bulk style mineralisation. This round of drilling was skewed towards the lower grade end of the spectrum with the consequential dampening of enthusiasm being evident in the fall of the share price on the day. There was one particularly good hole, being 21ABRC007 with intercepts of 12m at 7.02 gpt, 56m at 1.03 gpt and 4m at 9.84 gpt, but the rest of them fell short of expectations. I could imagine a report card from the teacher saying "*Could do better*". Let's hope the next release is more appetising.

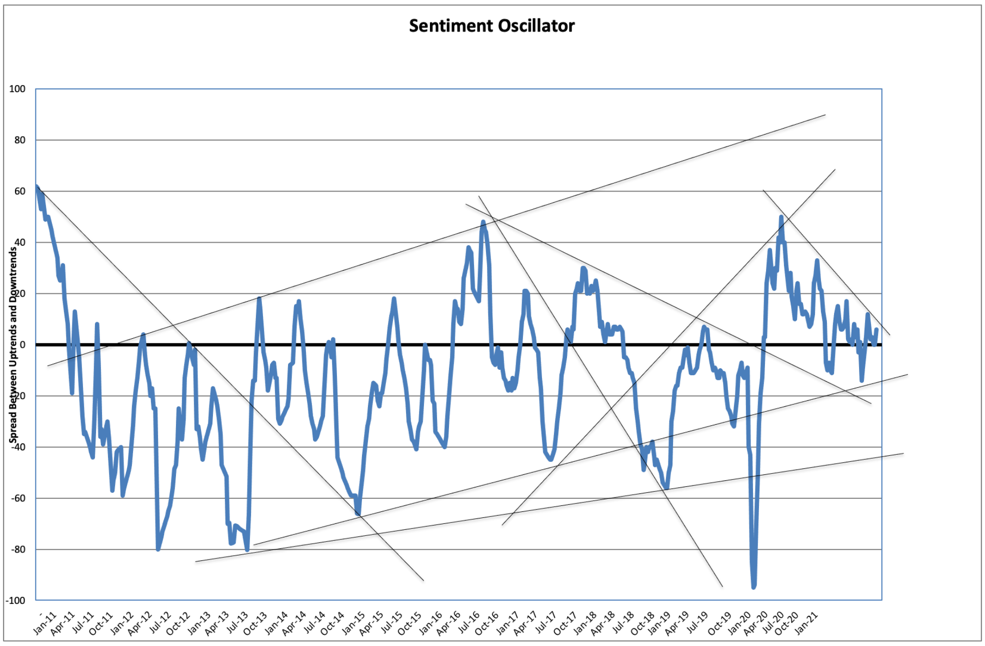
A lesson for exploration companies generally

If I have said it once in this newsletter, I have said it ten times; communication is critical. Whether it be because there is too much hype and the numbers don't match the rhetoric, or whether it doesn't get the key points across, or whether it is just confusing, many ASX releases miss the mark. An ASX release should not just appear as a dump of information to satisfy continuous disclosure requirements, it should be effectively communicative.

Everyone will have a different opinion on what to write and how to say it, but when too many people in a company have a hand in drafting an ASX release it is invariably too complicated and confusing. Writing a good release is a skill that should be taken very seriously as the way an announcement comes across can have a serious and lasting effect on the share price, and therefore on the cost of capital.

Companies need to consider who will be reading their releases. In most cases they will not have good technical skills. They will be ordinary investors, so the releases have to written with them in mind. A release should be simple, at least in the highlights section. It should speak clearly to the reader and leave a clear message without the need for specialist interpretation. No-one has time to spend 10-20 minutes trying to understand what is being said, though later in the release you still need to have the technical detail that gives credibility to what has been summarised up front.

Disclosure: Interests associated with the author own shares in BMG Resources



Sentiment Oscillator: Sentiment improved over the week. There were 36% (31%) of the charts in uptrend and 30% (31%) 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		testing downtrend	
Metals and Mining	XMM		strong rally	
Energy	XEJ		rising	
Stocks	**Code**		**Trend Comment (updated comments in bold)**	**Main Interest**
Alpha HPA	A4N		sideways	HPA
Adriatic Resources	ADT		slump below trend line	zinc, polymetalic
Alkane Resources	ALK		down	gold
Alicanto Minerals	AQI		pullback on good drill result	base metals, silver, gold
Altech Chemical	ATC		breached downtrend	HPA, anodes
Alto Metals	AME		sideways	gold exploration
American Borates	ABR		rising	borate
American Rare Earths (was BPL)	ARR		rising	rare earths

Antilles Gold	AAU		testing downtrend	gold
Arafura Resources	ARU		rising	rare earths
Ardea Resources	ARL		sideways through support line	nickel
Aurelia Metals	AMI		risen to meet resistance line	gold + base metals
Australian Potash	APC		testing downtrend	potash
Australian Rare Earths	AR3		down	rare earths
Auteco Minerals	AUT		resumed uptrend	gold exploration
Azure Minerals	AZS		breached downtrend	nickel exploration
BHP	BHP		rallying	diversified, iron ore
Beach Energy	BPT		rallying	oil and gas
Bellevue Gold	BGL		testing support	gold exploration
Benz Mining	BNZ		down	gold
Blue Star Helium	BNL		strong rise	gas, helium
BMG Resources	BMG		heavy fall on drill results	gold exploration
Boab Metals	BML		in a secondary downtrend	silver/lead
Breaker Resources	BRB		uptrend	gold exploration
Buru Energy	BRU		slump	oil
Calidus Resources	CAI		rising again	gold
Capricorn Metals	CMM		surge to new high	gold
Caravel Minerals	CVV		testing downtrend	copper
Celsius Resources	CLA		breached downtrend	copper
Chalice Mining	CHN		testing uptrend again	nicklel, copper, PGMs, gold exploration
Chase Mining	CML		breached downtrend	nickel/copper/PGE
Chesser Resources	CHZ		down	gold exploration
Cobalt Blue	COB		new uptrend being tested	cobalt
Cyprium Metals	CYM		continuing down	copper
Danakali	DNK		long term downtrend	potash
De Grey	DEG		shallow downtrend	gold
Develop Global	VXR		rallying	zinc
E2 Metals	E2M		shallower downtrend	gold exploration
Ecograf	EGR		new downtrend	graphite
Element 25	E25		testing downtrend	manganese
Emerald Resources	EMR		rising again	gold
Euro Manganese	EMN		down	manganese
Evolution Mining	EVN		down	gold
Firefinch	FFX		strongly higher	gold
First Graphene	FGR		rising again	graphene
Fortescue Metals	FMG		down	iron ore
FYI Resources	FYI		collapse out of uptrend	HPA
Galena Mining	G1A		breached downtrend	lead
Galilee Energy	GLL		down	oil and gas, CBM
Genesis Minerals	GMD		testing downtrend	gold
Genmin	GEN		back in downtrend	iron ore
Gold Road	GOR		weaker	gold

Hastings Technology Metals	HAS	rising again	rare earths
Hazer Group	HZR	new uptrend	hydrogen
Highfield Resources	HFR	down	potash
Hillgrove Resources	HGO	breached downtrend	copper
Iluka Resources	ILU	new high	mineral sands
Image Resources	IMA	sideways	mineral sands
Independence Group	IGO	new high	gold
ioneer (was Global Geoscience)	INR	testing uptrend	lithium
Ionic Rare Earths (Oro Verde)	IXR	recovering long term uptrend	rare earths
Jervois Mining	JVR	breaching uptrend	nickel/cobalt
Jindalee Resources	JRL	testing uptrend	lithium
Kairos Minerals	KAI	down	gold exploration
Kingston Resources	KSN	down	gold
Kingwest Resources	KWR	surge out of downtrend	gold
Latitude Consolidated	LCD	back to recent lows	gold
Legend Mining	LEG	turned down at resistance line	nickel exploration
Lepidico	LPD	breached uptrend	lithium
Lindian Resources	LIN	new high	bauxite
Lithium Australia	LIT	heavy slump	lithium
Los Cerros	LCL	down	gold exploration
Lotus Resources	LOT	rising	uranium
Lucapa Diamond	LOM	rising from lows	diamonds
Lynas Corp.	LYC	heavy fall	rare earths
Magnetic Resources	MAU	back to highs	gold exploration
Mako Gold	MKG	down again	gold exploration
Manhattan Corp	MHC	stronger out of downtrend	gold exploration
Marmota	MEU	rallying	gold exploration
Marvel Gold	MVL	new high	gold exploration
Matador Mining	MZZ	breached downtrend	gold exploration
Megado Gold	MEG	down	gold exploration
MetalTech	MTC	new high then heavy fall	gold
Meteoric Resources	MEI	down heavily	gold exploration
MetalsX	MLX	new high	tin, nickel
Metro Mining	MMI	back to lows	bauxite
Mincor Resources	MCR	new high	gold/nickel
Musgrave Minerals	MGV	risen to meet resistance line	gold exploration
Neometals	NMT	new high	lithium
Northern Minerals	NTU	rising	REE
Northern Star Res.	NST	down	gold
Oceana Gold	OGC	testing downtrend	gold
Oklo Resources	OKU	testing downtrend	gold expl.
Orecorp	ORR	heavy correction after placement	gold development
Orocobre	ORE	new high	lithium
Oz Minerals	OZL	rising again	copper

Pacific American	PAK	off its lows	coking coal
Pantoro	PNR	breached support line	gold
Panoramic Res	PAN	breakout on the upside	nickel
Peak Minerals	PUA	new low	copper exploration
Peak Resources	PEK	down	rare earths
Peel Mining	PEX	testing downtrend	copper
Peninsula Energy	PEN	new high	uranium
Poseidon Nickel	POS	breached uptrend	nickel
Perseus Mining	PRU	rising	gold
Pilbara Minerals	PLS	new high	lithium
Polarex	PXX	spike higher	polymetallic exploration
Queensland Pacific Metals	QPM	new high	nickel/cobalt/HPA
Red River Resources	RVR	testing downtrend	zinc
Regis Resources	RRL	new low on large financing	gold
Renergen	RLT	rising	gas, helium
RIO	RIO	testing steep downtrend	diversified, iron ore
Rumble Resources	RTR	breached downtrend	gold exploration
Salt Lake Potash	SO4	voluntary suspension	potash
St Barbara	SBM	testing downtrend	gold
Sandfire Resources	SFR	rallying	copper
Santos	STO	rising	oil/gas
Saturn Metals	STN	breached short term uptrend	gold exploration
Sheffield Resources	SFX	breached uptrend	mineral sands
Silex Systems	SLX	heavy correction	uranium enrichment technology
Silver Mines	SVL	down	silver
Sipa Resources	SRI	testing downtrend	general exploration - Ni,Cu, Co, Au
South Harz Potash	SHP	surge higher	potash
Stanmore Coal	SMR	new high	coal
Strandline Resources	STA	pullback	mineral sands
Sunstone Metals	STM	surged higher	exploration
Talga Resources	TLG	still in downtrend	graphite
Technology Metals	TMT	testing uptrend	vanadium
Tesoro Resources	TSO	new low	gold exploration
Theta Gold Mines	TGM	testing downtrend	gold
Thor Mining	THR	strong rise	gold exploration
Tietto Minerals	TIE	strong rise	gold
Titan Minerals	TTM	sideways	gold
Vimy Resources	VMY	surge through downtrend	uranium
West African Resources	WAF	new high	gold
Westgold Resources	WGX	turned down at resistance line	gold
West Wits Mining	WWI	strong rally	gold
Western Areas	WSA	surge higher	nickel
Whitehaven Coal	WHC	surge to new high	coal
Wiluna Mining	WMC	gently higher	gold

Yandal Resources	YRL		testing uptrend	gold exploration
Zenith Minerals	ZNC		placement and downtrend	gold exploration
Zinc Mines of Ireland	ZMI		softening	zinc
Totals	36%	51	Uptrend	
	30%	43	Downtrend	
		143	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	**30**	**21.0%**	
Gold Exploration	**26**	**18.2%**	
Nickel	**12**	**8.4%**	
Copper	**10**	**7.0%**	
Lithium	**7**	**4.9%**	
Rare Earths	**8**	**5.6%**	
Oil/Gas	**6**	**4.2%**	
Iron Ore/Manganese	**6**	**4.2%**	
Zinc/Lead	**5**	**3.5%**	
Mineral Sands	**4**	**2.8%**	
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	**6**		
Total	**143**		

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