FAR EAST CAPITAL LIMITED
Suite 24, Level 6, 259 Clarence Street
SYDNEY NSW AUSTRALIA 2000
Mobile Telephone: +61 417 863187
Email : wgrigor@fareastcapital.com.au
AFS Licence No. 253003 ACN 068 838 193

FAR EAST CAPITAL
The Mining Investment Experts

Weekly Commentary

26 November 2022

Chart comments at Friday's close.

Analyst : Warwick Grigor

Suvo Strategic Minerals - an expanding kaolin producer with advanced technology visions

The statement by Federal Treasurer Jim Chalmers last week regarding rare earths was talking our language. It will be interesting to see if this results in another wave of enthusiasm and funds coming into the sector.

Yes, kaolin can excite the market

We have seen a number of kaolin plays over the years that have all had something in common - they have never delivered commercial success. Some have achieved tremendously high market capitalisations, such as when Andromeda Metals (ADN) hit 32.5¢ and $700m in February 2021, but becoming operating mines is another matter. At 5¢ Andromeda is now down to $155m, which is still a considerable price tag for a pre-development/pre-financed kaolin hopeful, even with a $27m cash balance. The stock market is obviously capable of embracing the kaolin thematic provided it comes with effective promotion.

As stock market investing is usually about comparative analysis, we could use ADN as a benchmark for what we could reasonably expect for Suvo Strategic Metals (SUV) - that is if it was only about comparing market capitalisations - but that would not be doing Suvo justice.

Suvo - a kaolin producer with a (tech) future

Suvo is a kaolin mining company with an existing, long life operating mine in Victoria with a well-established customer base. From that credible platform the new management is planning to become more creative on the technology front to go beyond being just an operating mining company. It is through these innovations that it is seeking to achieve a premium rating for its shares in the market.

In considering the future of Suvo we need to focus on three business angles;

i) the existing hydrous kaolin product lines and mix,

ii) future metakaolin production for concrete and

iii) high purity alumina (HPA) from a recycled feedstock.

A number of junior companies are investigating ii) and iii) above, the more speculative aspects of the business, but only Suvo has an operating kaolin mine.

Established Pittong operation was purchased at an opportunistic price

Pittong is a well established, long life kaolin mine located 40 km west of Ballarat in Victoria. It was originally developed by the world leading English China Clays PLC in 1992, with a name plate capacity of 50,000 tpa of saleable kaolin product. That company was subsequently taken over by the French company, Imerys, in 1999. As a small operation in the Imerys portfolio, Pittong was later considered non-essential, so it was divested via a $2m sale to Suvo, (and a $1.85m environmental bond) announced in November 2020.

In the years leading up to the sale the operation appears to have been neglected by management, resulting in suboptimal performance and diminishing operational capacity. Seeing an opportunity to rejuvenate the operation, Suvo successfully bid $2m for the mines and a processing facility that could easily cost in the order of $100m to establish today. We could say that Suvo got a real bargain, but of course, that depends upon how good a job it does of rejuvenating the business and what it does with it subsequently.

i) Rejuvenating the Pittong Kaolin Mine in Victoria

Description of Operations

Pittong is fed from two shallow open pits; one near the plant, and another 22 km to the east. In addition to the two operational pits, Suvo has a third, fully licensed deposit, 14 km north of its Pittong operation which provides further expansion opportunities. These are primary kaolin deposits that have been weathered in-situ, meaning fewer impurities than you can get with secondary, transported deposits. All pits have mining licences approved up to 2045.

The projected mine life on JORC resources exceeds 35 years (13.7 Mt). Campaign mining is undertaken by JAL Contractors, a local operator who has been on site for more than 25 years. Low cost scrapers are used to take 30 cm lifts with the ore going to 13-14 stockpiles that are blended to achieve the desired product grade. There is no drilling and blasting needed. Mining is restricted to the warmer, drier months of the year.

The plant feed comprises circa 55% sands which are removed by screening off the + 3mm fraction, then the - 3 mm faction, leaving the kaolin for further processing. A detailed processing circuit can be found in ASX releases.

Optimising the scale of operations

Pittong was losing money on operations at the time of the acquisition. It needed an injection of both new, more enthusiastic management and upgraded capital items in order to restore profitability.

The immediate task for Suvo is to rebuild that effective capacity from the recent 25,000 tpa level, to the original design of 50,000 tpa through capital expenditure. This includes the upgrade and refurbishment of key infrastructure throughout the processing facility, including the trommel, cyclones, screens and upgraded filter presses. Around $1.5m remains to be spent to project completion, earmarked for Q1 2023. The increased capacity will enable Pittong to spread its fixed costs over a larger volume, thus reducing the all-in-sustaining costs to $359 pt, according to the Company's production guidance.

Optimising the the product mix

At the moment approximately 50% of Suvo's sales are to the lower margin paper and packaging market with price points of $400-450 pt. An obvious way of improving the bottom line is to move up the chain to higher prices of $600-$700 pt cif that the inks and paint markets earns. Even better, the pharmaceutical markets sell at around $1,800-$2,000 pt.

The first diagram below shows the current mix of products currently being achieved. The second diagram shows the prices received in the various sectors with Suvo's aspirations to focus on higher margin products

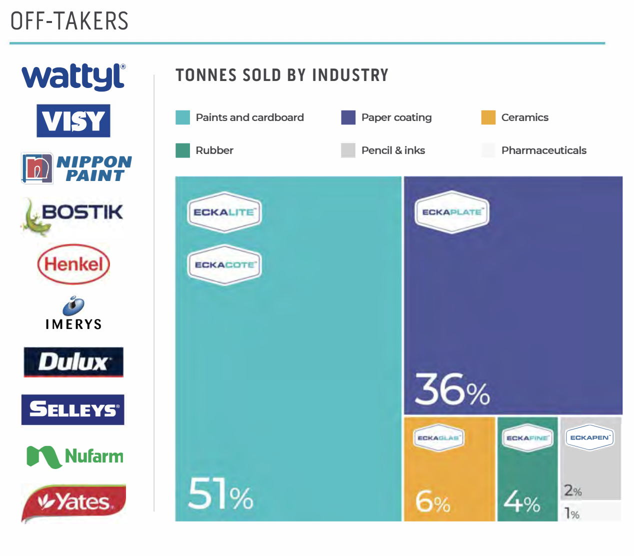
The kaolin market is growing at 5% p.a.

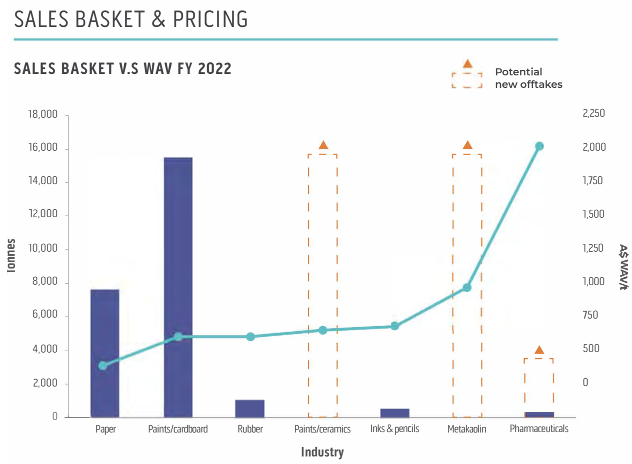
The world kaolin market is about 27 Mtpa, recently growing at 5% p.a. While paints and ceramics account for the bulk of the business, there has been strong growth in the cardboard and packaging market due to the growing e-commerce sector. The higher profit margin pharmaceutical lines are also growing strongly. On the supply front, both Germany and the USA have been having issues. The Ukraine had to shut down its operations in the Donbas region (around 10% of the global market) and China has put the brake on its exports as well.

Suvo sales to the domestic market account for 70-80% of the book but it sees SE Asia as the best growth market. It has recently appointed a sales manager with an Asian industrial minerals network and background.

Suvo is capable of supplying up 24 product lines to the market but it is aiming to consolidate these to 7-8, to improve efficiency. At the same time it is looking to emphasise the higher profit margin lines.

Source: Suvo presentation 20-10-2022





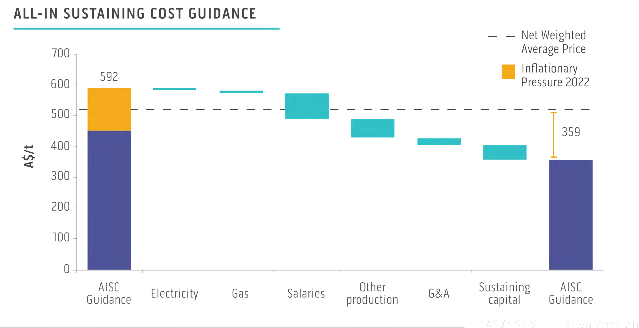
1 Sources: Research & Markets, USGS, BGS & Roskill via Dr. Ian Wilson

Finances are adequate but could be supplemented

Suvo is adequately funded at present with a cash balance in the order of $5m. This is sufficient to fund the expenditure through to March/April 2023, at which time the plant is expected to reach the 50,000 tpa level again. Current guidance is provided in the table below, extracted from a recent presentation released by the Company. EBITDA for 2023/24 is expected to be $8.3m. Corporate costs are currently running at $3.5m p.a.

As you read on you will see that Suvo has a number of early stage projects it is advancing, including R & D projects that add a technology angle to the profile. The availability of additional cash through equity or even debt funding will permit an acceleration of these projects

		Pre-optimisation	Post-optimisation	
Key Pittong Metrics	Unit	FY2023 Q1-Q3	FY2023 Q4	FY2024 Q1-Q4
Production	Kt	17,085	12,500	50,000
All-in sustaining cost (real)	A$/t	592	384	359
Net kaolin price (real)	A$/t	525	516	516
Revenue (real)	A$m	10.9	8.1	32.3
EBITDA (real)	A$m	(0.2)	1.8	8.3



ii) Research into "green" cement

In March 2022, Suvo engaged Curtin University in WA to investigate the use of the Gabbin White Cloud kaolin as a pozzolan, a high reactivity metakaolin (HRM), for making lower CO_2 green cement. HRM is already used and accepted by the international concrete industry as an additive for applications that require ultra-high performance, high-strength lightweight concrete.

The Gabbin kaolin was tested at Bethlehem in the USA, by cement technology specialist, FLSmidth, using a flash calciner. Results released last April, showed Suvo's product was in line or better than existing metakaolin products on the market.

The addition of metakaolin has been known to improve cement qualities since the 1930s, enabling reductions in porosity, increases in compressive and flexural strength and greater durability. A more recent development is the recognition that the addition of metakaolin can lead to reductions in CO_2 emissions in the range of 5-40%, but the 20% level seems the optimum due to viscosity issues at higher loadings.

Also in April, Suvo announced a materials transfer agreement with Calix Limited (CXL) to assist Suvo in accelerating its metakaolin green cement supply initiative, but with kaolin from from Pittong. The Calix engagement will assist identifying high value metakaolin end products and offtakers. A Scoping Study to estimate capital and operating costs is nearing completion.

The latest news from the Curtin University studies, released last September, was that there could be up to a 31% reduction in CO_2 with a 20% replacement of clinker by metakaolin. We have not yet seen the economics of this substitution so we can't yet comment on the commerciality.

iii) Value-adding with HPA

Suvo commenced research and development of high purity alumina opportunities in March 2021, focusing on its White Cloud kaolin project at Gabbin, 210 km NE of Perth. That resource comprises 72.5 Mt of bright white kaolinised granite that could yield 29.9 Mt at < 45 μm kaolin product. A Scoping Study released in May 2021, quoted capex of $68m for a 500,000t tpa hydrous processing plant to produce 200,000 tpa of refined kaolin products, at an AISC of $256 pt.

Focusing on the HPA, Suvo has announced that test work on a 4kg sample had achieved 99.992% purity on feedstock of > 38% Al_2O_2. Thus, it has a seat at the table along with a number of other companies aiming to produce HPA e.g Alpha HPA, Altech Chemical and FYI Resources.

More recently, in September, Suvo announced it was acquiring a 26% shareholding in Dingo HPA Pty Ltd, a technology company aiming to produce HPA from a recycled aluminium feedstock using a novel, close looped recycling process. The deal contemplates a move to 100% ownership in due course. The process is still at the concept study level, requiring advancement of the techno-economic aspects in order to validate its viability.

While other companies with kaolin deposits are assessing the viability of making HPA from their raw materials, Dingo will not need access to kaolin. Perhaps it is looking at something like what Alpha HPA has been working on for a number of years.

Industrial minerals are never easy that is why …

There is no shortage of industrial minerals projects around the world, but why is it so hard to develop a successful mine? The geology is the easy part. Getting a resource, and often a potential 20-50 year mine life, is not the stumbling block. Getting sales and off-take agreements is the most challenging task.

Not only do emerging companies have to prove that their products are at least as good as those already in the market, but they have to convince potential customers that they should switch suppliers. They have to disrupt relationships that are tried and tested and overcome the risk aversions that potential customers may have. They have to work themselves into a position in the market. Logistics, consistency and reliability are key measures. It is not just about costs alone.

Existing industrial mineral companies have often been around a long time, owing to very long mine lives, with multiple operations. They are able to employ aggressive marketing and predatory pricing strategies that make life difficult for new entrants. They are known to drive prices down to exterminate new players when they are most vulnerable and pick the assets cheaply from administrators and receivers. So investors must look beyond ideal power point presentation and spreadsheets if they are in it for the long haul.

… having an established customer base is gold

Putting everything else aside - geological, technical, management, finance etc - the single most commercial advantage any existing producer has over emerging companies is an established customer base and a regular sales book. Suvo already has a seat at the table. It qualifies as a real market player rather than just another wannabe. It has a predictable revenue stream. Of course, it can make mistakes and compromise this advantage, but this is where good management comes to the fore. Recent changes at the top have boosted this aspect, bringing more visionary management strength to the Company.

One cannot underestimated the value of the established market position as a platform on which to build Suvo.

The Bottom Line

Sometimes stock market punters call industrial mineral stocks boring, even though they can be good dividend yielding stocks. Maybe they are if all they do is produce hydrous kaolin, but Suvo has more to offer.

We can objectively assess the value of Suvo based on projected earnings once the rejuvenation program has been completed, taking into account the intended slimmed down product mix with an emphasis on higher margin lines. That comes down to forward looking fundamental analysis.

However, how do you value the more speculative technological angles of green cement and HPA? This is more dependent upon how inspiring the promotional effort is rather than tangible numbers. Are these technologies better than the competition and are the initiatives going to deliver near term benefits? Time will tell, but there is the speculative element that punters look for.

Management is in the final throws of restoring production and profitability back to where it used to be. The share price will improve when this becomes tangible, probably in Q2 of 2023. The blue sky will come with the metakaolin, and other research projects that make the Company more dynamic than just a long term cash flow producing asset. A portfolio of kaolin and sand projects in WA provide an extended growth profile.

At a share price of 4.7¢ and a market capitalisation of only $32m, the market is yet to factor these elements into the share price. There is plenty of upside potential from these levels.

When accuracy and impressions can diverge in exploration reports - NAG and SXG

Victoria gold exploration projects continue to deliver some impressive drill results. The previous week it was Nagambie's (NAG) high grade gold/stibnite veins, while last week it was Southern Cross's (SXG) turn to report impressive results from not dissimilar geology. Both were very good but each company chose to emphasise different aspects. This is probably because one company's release was written by a geologist, and the other, by a mining engineer.

Nagambie went to the effort to provide an interpretation that was consistent with the objective of developing economic mines, taking into account geometry and structure. It wasn't about generalisations. It was about estimated true mining widths and mining cut-off grades, giving the reader an ability to visualise the sort of mine that was being contemplated.

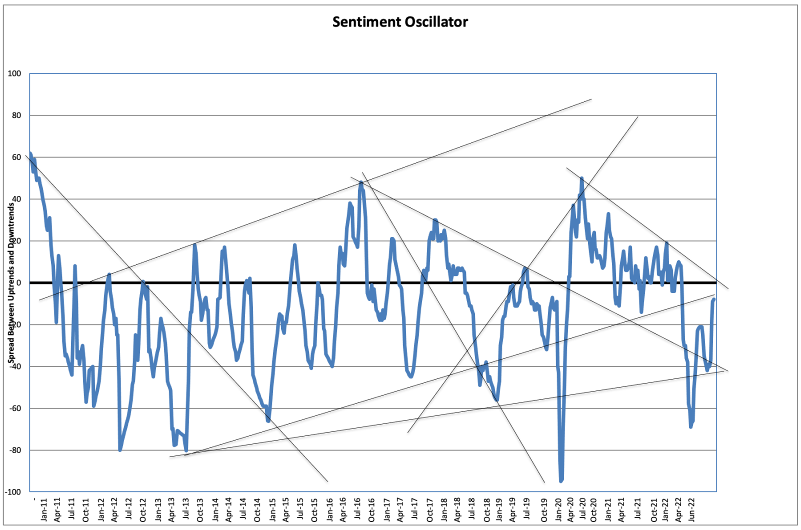
By way of contrast, SGX was all about arm waving and general gold endowment without much thought being given to mining parameters. Its headline intercept of 305m at 2.4 gpt AuEq is academically factual but not contextually relevant. Normally, width implies a correlation with a lateral dimension that would be amenable to mining. However, you need to understand that a hole like this one, into a series of high grade veins, should not be evaluated according to length because it has no relevance in the mining sense.

Geologists and mining engineers have always been competitive in expressing who are the most important technical personnel. Stock markets love geologists who promote grandiose geological concepts as share prices surge higher on drill results, but almost as night follows day, when it comes to the point of calculating JORC resources, the high flying expectations take a haircut. It often turns into a crewcut when the engineers convert a resource to a reserve.

Nagambie shareholder expectations should be reasonably attuned to what a mining reserve calculation will deliver, whereas SGX shareholders will have to make greater adjustments when the narrative progresses from geological to mining perspectives. In the interim though, the SXG share price is reacting the way the directors would wish. That intercept certainty assisted in the $16m placement at 58¢, undertaken last week.

Interestingly, SXG owns about 10% of Nagambie's issued capital and it has joint ventured other exploration projects with NAG. Further, SGX may find that it will need to use the treatment plant being established on Nagambie's lease due to environmental and permitting hurdles for which Victoria is famous. You could almost say that the two companies are joined at the hip.

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



Sentiment Oscillator: There was a powerful improvement in sentiment over the last two weeks. There were 30% (16%) of the charts in uptrend and 38% (53%) 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		uptrend	
Metals and Mining	XMM		surged higher	
Energy	XEJ		new highs	
Information Technology	XIJ		higher	
Stocks	**Code**		**Trend Comment (updated comments in bold)**	**Main Interest**
92 Energy	92E		in wedge	uranium
A-Cap Energy	ACB		breached support	uranium
ADX Energy	ADX		sideways	oil and gas
Alpha HPA	A4N		breached downtrend, rising	HPA
Adriatic Resources	ADT		strongly higher	zinc, polymetallic
Advance Metals (was Pacific American)	AVM		down	coal, gold exploration
Alkane Resources	ALK		testing downtrend	gold
Alicanto Minerals	AQI		breached steepest downtrend	base metals, silver, gold
Altech Chemical	ATC		testing uptrend	HPA, anodes
Anteotech	ADO		new low	silicon anodes, biotech
Alto Metals	AME		at resistance	gold exploration
American Rare Earths	ARR		down	rare earths
Antilles Gold	AAU		new low	gold
Arafura Resources	ARU		good bounce	rare earths
Ardea Resources	ARL		testing support	nickel
Aurelia Metals	AMI		new low	gold + base metals
Australian Rare Earths	AR3		breached steepest downtrend, then pullback	rare earths
Auteco Minerals	AUT		rising from lows	gold exploration
Arizona Lithium	AZL		failed at resistance line	lithium
Azure Minerals	AZS		testing new uptrend	nickel exploration
BHP	BHP		sharply higher	diversified, iron ore
Barton Gold	BGD		breached downtrend	gold exploration
Beach Energy	BPT		uptrend breached	oil and gas
Bellevue Gold	BGL		strongly higher	gold exploration
Benz Mining	BNZ		testing new uptrend	gold
Black Cat Syndicate	BC8		breached steepest downtrend, then pullback	gold
Blue Star Helium	BNL		sideways through downtrend	gas, helium
BMG Resources	BMG		down	gold exploration
Boab Metals	BML		failed at resistance line	silver/lead
Breaker Resources	BRB		stronger	gold exploration
Buru Energy	BRU		strong rally	oil
Calidus Resources	CAI		new low	gold
Capricorn Metals	CMM		strongly higher	gold
Caravel Minerals	CVV		at resistance	copper

Castile Resources	CST		down	gold/copper/cobalt
Celsius Resources	CLA		testing downtrend	copper
Chalice Mining	CHN		down	nickel, copper, PGMs, gold exploration
Chesser Resources	CHZ		new low	gold exploration
Cobalt Blue	COB		down again	cobalt
Cyprium Metals	CYM		testing steepest downtrend	copper
Dateline	DTR		at lows	rare earths
De Grey	DEG		good recovery	gold
E2 Metals	E2M		breached new uptrend	gold exploration
Ecograf	EGR		falling again	graphite
Element 25	E25		new uptrend commenced	manganese
Emerald Resources	EMR		trying to recapture uptrend	gold
Empire Energy	EEG		testing steepest downtrend	gas
Euro Manganese	EMN		down	manganese
Evolution Mining	EVN		strongly higher	gold
Firefinch	FFX		suspended	gold
First Graphene	FGR		risen to final resistance line	graphene
Fortescue Metals	FMG		breached downtrend	iron ore
FYI Resources	FYI		sideways through downtrend	HPA
Galena Mining	G1A		breaching final resistance	lead
Galilee Energy	GLL		sideways	oil and gas, CBM
Genesis Minerals	GMD		rising	gold
Genmin	GEN		rising	iron ore
Gold Road	GOR		strongly higher	gold
Great Boulder Resources	GBR		softer	gold exploration
Hastings Technology Metals	HAS		risen to resistance line	rare earths
Hazer Group	HZR		testing downtrend	hydrogen
Heavy Minerals	HVY		still in downtrend	garnet
Highfield Resources	HFR		breached steepest downtrend	potash
Hillgrove Resources	HGO		testing downtrend	copper
Iluka Resources	ILU		still down	mineral sands
Image Resources	IMA		testing resistance line	mineral sands
ioneer (was Global Geoscience)	INR		testing resistance line	lithium
Ionic Rare Earths	IXR		hugging support line	rare earths
Jervois Mining	JVR		breached downtrend	nickel/cobalt
Kaiser Reef	KAU		sideways through downtrend	gold
Kallina Power	KPO		new uptrend commenced	power station additive
Kingston Resources	KSN		breaching steepest downtrend	gold
Krakatoa Resources	KTA		rising	rare earths
Kingfisher Mining	KFM		stronger	rare earths
Kingwest Resources	KWR		recovering from lows	gold
Lepidico	LPD		new low	lithium
Lindian Resources	LIN		breached short term downtrend	bauxite
Lion One Metals	LLO		breached downtrend	gold

Los Cerros	LCL		breached downtrend	gold exploration
Lotus Resources	LOT		sideways through downtrend	uranium
Lucapa Diamond	LOM		down again	diamonds
Lunnon Metals	LM8		trying to recover uptrend	nickel
Lynas Corp.	LYC		turned down at resistance line	rare earths
Magnetic Resources	MAU		surge on REO news, then retracement	gold exploration
Mako Gold	MKG		down	gold exploration
Marmota	MEU		drifting lower	gold exploration
Matador Mining	MZZ		new uptrend commenced	gold exploration
Mayur Resources	MRL		breached uptrend	renewables, cement
Meeka Gold	MEK		stronger	gold
Megado Gold	MEG		new low	rare earths, gold exploration
MetalsX	MLX		sideways through downtrend	tin, nickel
Metro Mining	MMI		testing downtrend	bauxite
Mincor Resources	MCR		down	gold/nickel
Mithril Resources	MTH		sideways	gold/silver
Musgrave Minerals	MGV		still falling, gently	gold exploration
Nagambie Resources	NAG		sideways	gold, antimony
Neometals	NMT		sideways	lithium
Northern Star Res.	NST		strong rise	gold
Nova Minerals	NVA		slump on placement	gold exploration
Orecorp	ORR		sideways through downtrend	gold development
Oz Minerals	OZL		new high on takeover bid	copper
Pacific Gold	PGO		bounced to meet resistance line	gold exploration
Pantoro	PNR		new low	gold
Panoramic Res	PAN		down	nickel
Peak Resources	PEK		rising	rare earths
Peninsula Energy	PEN		down	uranium
Poseidon Nickel	POS		still down	nickel
Perseus Mining	PRU		steeply higher	gold
Provaris Energy	PV1		back in downtrend	hydrogen
PVW Resources	PVW		down	rare earths
QMines	QML		breached downtrend, then correction lower	copper
Queensland Pacific Metals	QPM		sideways	nickel/cobalt/HPA
Red River Resources	RVR		suspended	zinc
Regis Resources	RRL		breached downtrend	gold
Renergen	RLT		down	gas, helium
Resource Mining Corp.	RMI		gently down	nickel exploration
RIO	RIO		higher	diversified, iron ore
Rumble Resources	RTR		secondary downtrend	gold exploration
S2 Resources	S2R		sideways	gold exploration
St Barbara	SBM		bouncing	gold
Sandfire Resources	SFR		strongly higher	copper
Santos	STO		breached trend line support	oil/gas

This commentary is provided at no charge and in good faith from sources believed to be reliable and accurate. Far East Capital Ltd directors and employees do not accept liability for the results of any action taken on the basis of information provided or for any errors or omissions contained therein. Readers should seek investment advice from their professional advisors before acting on information contained therein. Please see ***Disclosure of Conflicts of Interest*** *at the end of this commentary.*

Sarama Resources	SRR		down	gold exploration
Silex Systems	SLX		rising again	uranium enrichment technology
South Harz Potash	SHP		still in downtrend	potash
Southern Cross Gold	SXG		strongly higher	gold exploration
Stanmore Coal	SMR		surge higher	coal
Strandline Resources	STA		breaching uptrend	mineral sands
Sunstone Metals	STM		breached steepest downtrend	exploration
Suvo Strategic Minerals	SUV		falling	kaolin
Talga Resources	TLG		rising again	graphite
Tamboran Resources	TBN		breached downtrend	gas
Technology Metals	TMT		down	vanadium
Theta Gold Mines	TGM		strong rise from lows - at resistance	gold
Thor Mining	THR		sideways through downtrend	gold exploration
Tietto Minerals	TIE		new high	gold
Vanadium Resources	VR8		new low	vanadium
Venture Minerals	VMS		breached downtrend	tin, tungsten
West African Resources	WAF		breached downtrend	gold
Westgold Resources	WGX		breaching downtrend	gold
West Wits Mining	WWI		new low	gold
Whitehaven Coal	WHC		down	coal
Zenith Minerals	ZNC		breached steepest downtrend	gold exploration
Totals	30%	42	Uptrend	
	38%	54	Downtrend	
		142	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	**32**	**22.5%**	
Gold Exploration	**23**	**16.2%**	
Rare Earths	**12**	**8.5%**	
Oil/Gas	**11**	**7.7%**	
Nickel	**8**	**5.6%**	
Copper	**8**	**5.6%**	
Iron Ore/Manganese	**6**	**4.2%**	
Uranium	**5**	**3.5%**	
Zinc/Lead	**4**	**2.8%**	
Lithium	**4**	**2.8%**	
Graphite/graphene	**3**	**2.1%**	
Coal	**3**	**2.1%**	
Mineral Sands	**3**	**2.1%**	
Potash/Phosphate	**2**	**1.4%**	
Silver	**2**	**1.4%**	
Bauxite	**2**	**1.4%**	
Vanadium	**2**	**1.4%**	
Cobalt	**1**	**0.7%**	
Tin	**2**	**1.4%**	
Diamonds	**1**	**0.7%**	
Other	**8**		
Total	**142**		

FEC Disclosure of Interests: It is a requirement of ASIC that holders of AFS licences prominently disclose any conflicts of interest. At all times readers should be aware that Far East Capital Ltd is an active investor. It shares its research and opinions free of charge to other investors and it aims to do so on an ethical basis. Accordingly, when it is writing about stocks in which it holds interests, these will be disclosed. The author is chairman of First Graphene and one of the largest shareholders, through a number of entities. Over the last three years FEC has received capital raising fees from a number of companies but it does not receive payment for research. See individual disclosure notes in the body of the Weekly where they are relevant. Its primary business is investing and managing its own money, but it does occasionally raise money for resource companies.