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

30 April 2022 *Chart comments as at Friday's close* Analyst : Warwick Grigor

Castile Resources. It is rare to find such good fundamental value

The week started out with lots of red ink on Tuesday with one of the most aggressive selldowns seen for a while, but the charts tell us that this was a heavy correction rather than a reversal of the bullish markets that we have been observing in 2022. By the end of the week there was the regulation rally with most stocks recovering somewhat, but the heavy falls in New York last night, with the Dow down 2.77% guarantee that Monday will be ugly.

Once again it was all about expectations of interest rate rises based on rising inflation numbers. Stock markets have to adjust when interest rates go up, especially when dividend paying companies need to have their yields synchronised. It is a simple calculation but the uncertainty comes into play when we ponder whether or not it is just a one off adjustment or another step along a trend of rising rates.

Interest rates are going up in a direct response to inflationary trends but at the moment rates are still playing catch up. With US inflation running at 8.5% p.a., there will be more interest rate rises if that headline inflation trend doesn't turn down quickly. There is also the risk of stagflation if the negative growth seen in the US last quarter isn't just a one off event. The problems on the economic front are becoming more complicated.

Irrespective of the monetary policy issues, the resources sector will continue to suffer from supply issues that will support stronger commodity prices. Any increasing cost push pressures that will be affecting the sector can be easily absorbed by producers at present, meaning earnings will stay strong. Share prices of more speculative companies will be influenced by general sentiment but there is always room for outperformance of share prices of individual companies, depending upon news flow.

Castile Resources - Copper, Cobalt & Gold

Castile Resources (CST) is a great example of a company with a sound development project that has been largely overlooked by the market. It is hard to believe that the market capitalisation is only $37m, much less than so many highly speculative juniors, given its solid resource base, the management quality and the upside from exploration programs. Maybe it doesn't appeal to hot traders but fundamental investors should be having a serious look.

Some background on Tennant Creek first

The Tennant Creek mineral field in the Northern Territory has long been one of my favourites due to its ability to throw up high-grade, very profitable orebodies. Peko Wallsend was a very successful Tennant Creek developer back in its day, growing to one of Australia's premier mining companies before being taken over in 1988 by North Ltd. Aussie Devils (Australian Development Ltd) was another very successful company with the Nobles Knob and White Devil gold orebodies. Having said that, exploration there can be challenging. Emmerson Resources can attest to that fact.

The Tennant Creek's IOCG deposits have historically produced approximately 5 Moz of gold, 345,000 t of copper with other by-products from 130 mines, with the majority of production derived from 12 deposits. The Rover Mineral Field has been interpreted as a southern extension, located 75 km SW of the town.

Ownership history of Rover 1

Peko Mines first identified the Rover anomalies in 1971, reporting an intercept of 15m at 17.3 gpt, when the gold price as still pegged and boring. Peko dropped the prospect in 1982, and it was forgotten about for 23 years.

In 2007, Castile was incorporated as a subsidiary of Westgold and it acquired the Rover tenements from Navarre Resources. Westgold and Metals X first merged in 2012, then Westgold was demerged in December 2016. The cards were shuffled again when Castile demerged from Westgold with its shareholders receiving an in-specie distribution of shares on a 1 for 4 ratio, with a 1 for 1 entitlement issue at 20¢. The Company raised $20m and listed as a separate entity in February 2020.

At the time of listing the Rover 1 deposit had an Indicated and Inferred resource of 6.9 Mt at 1.74 gpt gold, 1.2% copper, 0.06% cobalt, with some silver and bismuth. A second project, Explorer 108, had an Indicated and Inferred Resource of 11.9 Mt at 11.1 gpt silver, 2% lead and 3.2% zinc.

Geological and technical aspects of Rover

Rover 1 is an example of the Tennant Creek proterozoic gold deposits associated with magnetite-haematite-rich ironstones which are known as IOCG-type deposits, though the average grades seem to be more modest than the earlier mines. The Rover 1 deposit is situated within a sedimentary package consisting of haematite-rich sediments grading from banded to massive haematitic shales through to laminated BIFs, cherty siltstones and chert. Multiple hydrothermal alteration zones of magnetite-quartz-haematite-chlorite bodies and associated chlorite alteration, which host the copper-gold-bismuth-cobalt mineralisation, occur within a sub-vertical structural corridor approximately 200m wide by 600m in strike. The bulk of the mineralisation is not in the magnetite-quartz ironstones but is in the peripheral and lower magnetite-quartz chlorite stringer and massive magnetite components, with strong control along the northern ironstone structure.

The orebody will be mined by underground methods given that the top level starts at a vertical depth of around 300m. It comprises three separate zones, being Jupiter, Jupiter

West and Jupiter Deeps. Mining stope heights will be 40m with 25m sub levels.

Progress since listing

Castile started a PFS soon after listing and conducted further drilling, reporting an outstanding intercept in its first hole of 30.4m at 35.6 gpt, 1.46% Cu plus minor metals from a depth of 506m. It continued to report high grade intercepts over the following 12 months with intercepts like 38m at 7.4 gpt, 6m at 23 gpt and 2.4m at 23 gpt. When interpreting these intercepts you need to be aware that these were steeply dipping holes and they are not representative of true mining widths, and the grades need to be viewed in the context of the zonation evident in the mineralisation. Nevertheless, they are impressive.

In September 2021, Castile reported excellent metallurgical recoveries of 93.8% for gold, 97.7% for copper, 88% for cobalt and 89.7% for bismuth reporting to a bulk concentrate. Further, the magnetite was determined to be recoverable as a saleable product.

The latest Indicated and Inferred Resource is 4.7 Mt at 1.73 gpt gold, 1.63% copper and 0.08% cobalt. The tonnage has shrunk a little but the quality of the resource has improved, as has the copper grade. This is sufficient for an eight year mine life, but it we would expect extensions to this figure.

Culminating in a PFS in about six weeks

The Company is scheduled to release its PFS in about six weeks. This will take into account the recent drilling that has tightened up the drill spacing to about 20m, and incorporate the metallurgical test work findings. The target throughput will be 500,000 tpa. Interestingly, the plan is to go beyond the production of a simple bulk concentrate. The initial concentrate will be finely ground then treated through a $25m pressure oxidation vessel at a rate of 100,000 tpa to achieve recoveries of 93% for gold, 96% for copper and 83% for cobalt as metals. This step delivers higher product values with better payability than would a concentrate.

Total capital expenditure is estimated to be $130m according to a research note released by Petra Capital, with the processing plant accounting for $80m. All up operating costs are estimated to be $220 pt, which is less than half of the anticipated revenue on recent metals prices of $560 pt. This suggests an operating margin in the order of $150m p.a.

Once released the Company will quickly move into the DFS stage with a $1.5m budget that will include a 1,000 tonne pilot treatment step, using the core that has been recovered from the drilling programs.

Experienced board and management

There is no point in having a good project if it doesn't also have good management. There are many examples of inept management destroying a company even when the assets were high quality. Companies with successful, experienced management teams tend to attract a share price premium in the market but anomalously, this hasn't happened yet with CST.

Here, we have one of the icons of the Australian gold sector as chairman - Peter Cooke. The Managing Director is Mark Hepburn who has a successful career in the capital markets rather than a technical background, but in my opinion this is a positive. You need savvey corporate management to ensure commercial success.

The Bottom line - very strong fundamental value

The market seems to be ignoring Castile at present. Perhaps that is because it is in the pre-development phase when news flow is all about IRRs and NPVs, with anticipation of the dilutionary effects of funding rather than game changing news flow. So, investors need to be more patient than aggressive at this stage of a company's life cycle.

Castile is doing a little shimmy with it presentation narrative in trying to offer wider appeal to investors, emphasising the line that is it really a battery metals company, especially with projections of 400 tpa of cobalt metal, than a gold company with metal co-products.

If you look at the share price over the last 12 months you will see that it has basically been flat-lining in a broad trading range between 15¢ and 25¢. FOMO has been non-existent, but to me that suggests that any potential sellers have had a chance to move on. There may be some stale bulls waiting to sell on an uptick, but probably not many. It is a good time for the company to get on the road and talk investors through the strong potential in an attempt to build fresh interest - which they started doing a week ago. I can only see upside from these prices.

The Top 20 shareholders own 62% of the issued shares and one of these, Semarang Asian Property, has just lifted its holding from 6.06% to 7.07% .

A recent note by Petra Capital analyst, David Brennan, has a share price target of 65¢. That is 260% higher than the market price last week. He is forecasting EPS of 18¢ from 2025, giving a prospective PE of < 1x. However, there will need to be some share issues along the way that will alter this calculation.

Peninsula Energy well placed for resumption

Last week I caught up with Peninsula Energy (PEN), a uranium company that is preparing itself for a resumption of uranium production later this year. Back in the noughties, when I was the executive director, I steered the company into the direction of uranium. It acquired two projects; one in Wyoming, USA, and the other in South Africa. It took nine years of effort, battling technical and regulatory hurdles to advance the Lance Project in Wyoming to the point where an ISL mine was commissioned. The only other ASX-listed company to reach the uranium production milestone in that generation was Paladin Energy. I retired from the board after the rotation of management from a development-style to a production-style focus, which is a common event in the life of a company.

Commissioning is always the critical step

I frequently remind readers that commissioning is the critical litmus test for any project development and this applies to uranium projects more so than many others due to the unique metallurgy that often has to be dealt with. Lance was a case in point, underperforming from the outset with recovered grades being about 50% lower than planned. Management decided to shut down operations to figure out what the problem was. It learnt that the occurrence of an unusual mineral, uranophane, was the spanner in the works.

The standard uranium minerals in the Powder River Basin are uraninite and coffinite and their metallurgy is well known. However, there can be a third mineral - uranophane

- a rare calcium uranium silicate hydrate mineral that forms from the oxidation of other uranium-bearing minerals. It seems to be derived from older standard roll-front uranium deposits that are further altered to cause a mineral in the hexavalent state. This means that it is more difficult to recover than uranium in the tetravalent state as it involves reversing the chemistry to oxidise the product, but uranophane is already oxidised. The alkaline-based solution proved ineffective in recovering the uranium in the uranophane, effectively sterilising 30% of the product.

Collapse in uranium price worked well for Peninsula

Even though Peninsula took production offline for a number of years, its strong book of sales contacts at > US$50/lb left the Company in a strong position to profit from the collapse in the uranium price post Fukushima, to levels around US$20/lb. It was able to buy cheap uranium in spot markets to deliver into the sales contracts, achieving a higher profit margin that it could have by actually producing uranium. In the last year its gross margin from delivering into these was about US$8-9m.

A switch to low Ph extraction is imminent

Test have shown that Lance has to shift to a low Ph method of uranium extraction to overcome the uranophane issue. A field test has confirmed these findings. The switch in methodology involved further regulatory and permitting approvals, which have now been achieved. Shareholders are currently waiting on the results of a feasibility study that is expected early in the September quarter.

Good cash balance will need to be supplemented

Peninsula is in good financial shape, being debt free and having approximately US$30m in cash and uranium inventory (310,000 lb). Nevertheless, it will need to raise $20-$30m later in the year to support the restart of operations. That should be easy to do given the recent market capitalisation of $234m. It is certainly a much smaller capital hurdle than probably any other prospective uranium producer.

The Bottom Line - derisked and almost ready to go

Peninsula offers one of the lowest risk entries to the uranium production sector. It has earned its spurs the hard way, keeping its head above water in the post Fukushima meltdown of the uranium price and it appears to have solved the technical issues that were exposed in the initial production phase. Almost every other uranium start up has yet to prove itself technically, and they all have much larger capex budgets to fund, whereas Peninsula should be able to smoothly step back into the production mode. It would suit those investors looking for uranium exposure without the risks involved in opening up a new, or previously unsuccessful project that is yet to prove its economics in the field. We have added the Company to our chart coverage.

Disclosure: The author was previously a director of Peninsula and a shareholder.

Vanadium Resources share price is marching higher

We first mentioned Vanadium Resources (VR8) following a presentation at the 121 London Conference, suggesting that its project "*has the potential to earn EBITDA of US$230m p.a. for decades, according to the PFS. Yet, the market capitalisation of the company is only $36m. Maybe the market has concerns regarding financing, but this should be procedural - especially due to the changing attitude to "green" metals. The ability to take an attractive project from a spreadsheet to a producing mine is always the ultimate hurdle, for any project. In this case the economics look robust and there doesn't seem to be any fatal flaws threatening the project. It could be a very rewarding long term investment at these levels."*

At the time the share price was 7.3¢ . Last week it surged to 18¢ notwithstanding the generally weak stock market. The simple charting view is that it breached a downtrend late in March when it closed above 8¢. There hasn't been much reported on the operational front other than the commencement of trial mining and the continuation of the DFS, but there has nevertheless been good market support recently.

Vanadium is one of the new battery input materials that has been attracting strong but spasmodic attention in the market place. There are some Australian vanadium projects that are being promoted, with varying merit, but I have an inclination to preferring those in South Africa due to decades of successful experience in operating mines and treatment plants in that country. True, anything in South Africa carries a higher geopolitical risk, but this is balanced by deep operational experience utilising the salt roast leaching process. Australia, on the other hand, has just had operational failures.

Parameters and economics of the leading hopefuls in Australia are more challenging. As an example Australian Vanadium's BFS has estimated capex of A$604m, resulting in a lengthy payback timeframe of 7.3 years. C3 operating costs are estimated to be US$6.11/lb V_2O_5. AVL has a market capitalisation around $243m.

Technology Metals Australia is another hopeful local company, looking to get set with the Gabanintha Vanadium Project, in WA. It is quoting a C3 cash cost of US$5.75/lb. We are waiting for the release of the Feasibility Study so there is no capex estimate to quote. The market capitalisation is more modest at around $100m.

While we are still waiting on the release of VR8's DFS, it looks like the capex will be about A$280m for similar output of 12,500 tpa V_2O_5 (vanadium pentoxide) at a C3 cost of US$3.08/lb, according to the PFS. Capex payback is expected to be about two years. One important parameter is the concentrate grade into the roaster. At 2.2% V_2O_5 VR8's grade is considerably higher than others. The 1 to 1 mining waste to ore ratio offers a cost advantage.

The market capitalisation of the Company is around $70m for a 74% interest in the Steelportdrift project. The cash balance as at 31/3/22 is considered to be adequate at $5.3m, and it doesn't think it needs to raise more until 2023, but it may pragmatically go for a top up if the share price continues in the strong uptrend.

There is obviously more detailed comparative analysis required before becoming dogmatic on which vanadium company offers the best value, but I feel that the share price chart performance is pointing towards VR8. Perhaps the smart money is buying.

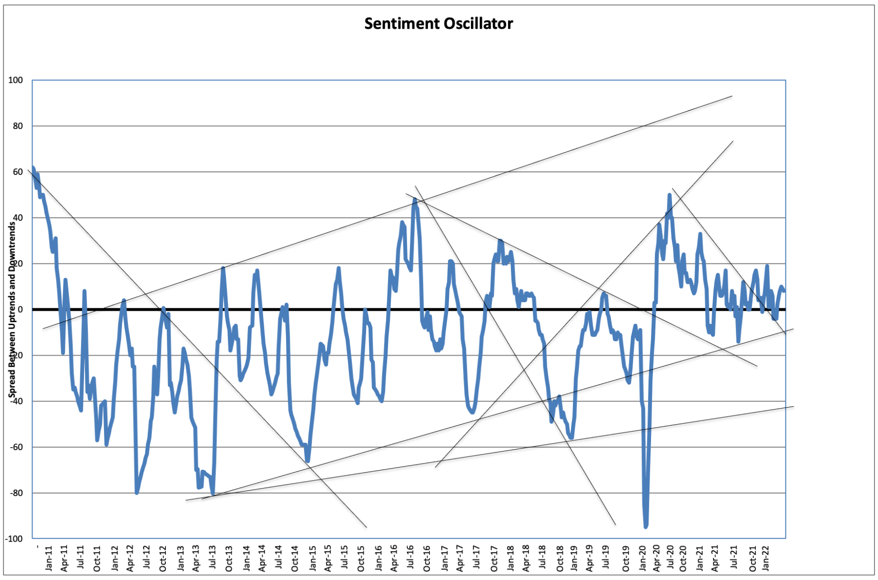
Benz has reported spodumene intercepts

Late yesterday Benz reported visual results for the first holes at the Ruby Hill West, mentioned in our previous weekly, declaring a virginal lithium discovery. Five of the six holes drilled recorded multiple spodumene (lithium) pegmatite dykes, including a strong visual intercept of 31.3m of spodumene bearing pegmatite from surface. Assays are awaited but they could take up to eight weeks. The market reaction was instantaneous with the shares surging from 69¢ to 95¢.

Marmota is joining the rare earths party

Marmota (MEU) breathed some life into its share price last week with a release pointing out that Petratherm's rare earth discovery was right on the boundary with MEU's ground stating "*It would be geologically highly improbable for the mineralisation in an ionic clay system to suddenly stop at the tenement boundary. Inversely, it is geologically highly probable that the mineralisation continues across the tenement boundary.*" This speculative release adds a new dimension to MEU beyond its interesting gold exploration project in the same area.

It is worth remembering that when MEU first listed it was a uranium stock. In fact, is still has a JORC resource of 5.4 Mlbs at 557 ppm U_3O_8, with an exploration target of 22-33 Mlb, in South Australia.



Sentiment Oscillator: Sentiment was again ready over the week. There were 39% (40%) of the charts in uptrend and 31% (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		heavy correction	
Metals and Mining	XMM		sharp fall from high	
Energy	XEJ		correction	
Information Technology	XIJ		new uptrend breached	
Stocks	**Code**		**Trend Comment (updated comments in bold)**	**Main Interest**
Alpha HPA	A4N		near its highs	HPA
Adriatic Resources	ADT		breached downtrend	zinc, polymetallic
Alkane Resources	ALK		breached uptrend	gold
Alicanto Minerals	AQI		sideways through downtrend	base metals, silver, gold
Altech Chemical	ATC		at apex of wedge	HPA, anodes

Anteotech	ADO		bounced from lows to meet shallower d'tend	silicon anodes, biotech
Alto Metals	AME		sideways	gold exploration
American Rare Earths (was BPL)	ARR		off its highs	rare earths
Antilles Gold	AAU		still down	gold
Arafura Resources	ARU		consolidating near highs	rare earths
Ardea Resources	ARL		strongly higher	nickel
Aurelia Metals	AMI		on support line	gold + base metals
Australian Potash	APC		risen to hit downtrend line	potash
Australian Rare Earths	AR3		down	rare earths
Auteco Minerals	AUT		rallying	gold exploration
Arizona Lithium	AZL		uptrend	lithium
Azure Minerals	AZS		weaker	nickel exploration
BHP	BHP		slump from its high	diversified, iron ore
Beach Energy	BPT		new uptrend confirmed	oil and gas
Bellevue Gold	BGL		testing downtrend	gold exploration
Benz Mining	BNZ		breached downtrend	gold
Blue Star Helium	BNL		down	gas, helium
BMG Resources	BMG		surge out of downtrend	gold exploration
Boab Metals	BML		breached downtrend	silver/lead
Breaker Resources	BRB		heavy fall from highs	gold exploration
Buru Energy	BRU		sideways	oil
Calidus Resources	CAI		surged higher	gold
Capricorn Metals	CMM		surge to new high	gold
Caravel Minerals	CVV		rallied to meet resistance line	copper
Castile Resources	CST		sideways pattern	gold/copper/cobalt
Celsius Resources	CLA		rallying	copper
Chalice Mining	CHN		down	nickel, copper, PGMs, gold exploration
Chesser Resources	CHZ		rallied off lows	gold exploration
Cobalt Blue	COB		surge to new high	cobalt
Cyprium Metals	CYM		surge out of downtrend	copper
Danakali	DNK		downtrend accelerating	potash
De Grey	DEG		on support line	gold
E2 Metals	E2M		down	gold exploration
Ecograf	EGR		down	graphite
Element 25	E25		down	manganese
Emerald Resources	EMR		recovered to highs	gold
Empire Energy	EEG		breached uptrend	gas
Euro Manganese	EMN		down	manganese
Evolution Mining	EVN		resumed uptrend	gold
Firefinch	FFX		regained uptrend	gold
First Graphene	FGR		testing uptrend	graphene
Fortescue Metals	FMG		rallying after heavy fall	iron ore
FYI Resources	FYI		down	HPA
Galena Mining	G1A		still down	lead

Galilee Energy	GLL		breaching downtrend	oil and gas, CBM
Genesis Minerals	GMD		collapse back to downtrend	gold
Genmin	GEN		new uptrend breached	iron ore
Global Energy Ventures	GEV		testing downtrend	hydrogen
Gold Road	GOR		rising	gold
Great Boulder Resources	GBR		sideways to down	gold exploration
Hastings Technology Metals	HAS		testing uptrend	rare earths
Hazer Group	HZR		heavy slump	hydrogen
Highfield Resources	HFR		back to resistance line	potash
Hillgrove Resources	HGO		long term uptrend	copper
Iluka Resources	ILU		new high	mineral sands
Image Resources	IMA		new uptrend	mineral sands
ioneer (was Global Geoscience)	INR		back to highs	lithium
Ionic Rare Earths (Oro Verde)	IXR		new high	rare earths
Jervois Mining	JVR		shallower uptrend	nickel/cobalt
Kingston Resources	KSN		sideways	gold
Kingwest Resources	KWR		drifting lower	gold
Krakatoa Resources	KTA		steep rise	rare earths
Legend Mining	LEG		sideways	nickel exploration
Lepidico	LPD		rising again	lithium
Lindian Resources	LIN		surge higher	bauxite
Lion One Metals	LLO		spike higher	gold
Los Cerros	LCL		rallied to hit resistance line	gold exploration
Lotus Resources	LOT		holding long term uptrend	uranium
Lucapa Diamond	LOM		downtrend	diamonds
Lynas Corp.	LYC		sharp pullback	rare earths
Magnetic Resources	MAU		shallow downtrend	gold exploration
Mako Gold	MKG		breaching support	gold exploration
Marmota	MEU		surge higher on REE news	gold exploration
Marvel Gold	MVL		breached uptrend	gold exploration
Matador Mining	MZZ		new low	gold exploration
Mayur Resources	MRL		slump to new low	renewables, cement
Meeka Gold	MEK		strong rise but still LT downtrend	gold
Megado Gold	MEG		surge higher	rare earths, gold exploration
Meteoric Resources	MEI		sideways through downtrend line	gold exploration
MetalsX	MLX		new high	tin, nickel
Metro Mining	MMI		new uptrend confirmed	bauxite
Mincor Resources	MCR		new high	gold/nickel
Mithril Resources	MTH		down	gold/silver
Musgrave Minerals	MGV		testing downtrend	gold exploration
Neometals	NMT		new high	lithium
Northern Minerals	NTU		rising	REE
Northern Star Res.	NST		breached downtrend	gold
Nova Minerals	NVA		heavy pullback	gold exploration

Oceana Gold	OGC		rising	gold
Oklo Resources	OKU		down	gold expl.
Orecorp	ORR		down	gold development
Oz Minerals	OZL		back into downtrend	copper
Pacific American	PAK		back to lows	coking coal
Pantoro	PNR		down	gold
Panoramic Res	PAN		rising	nickel
Peak Minerals	PUA		strong rally	copper exploration
Peak Resources	PEK		down	rare earths
Peel Mining	PEX		sideways	copper
Peninsula Energy	PEN		on support line	uranium
Poseidon Nickel	POS		drifting lower	nickel
Perseus Mining	PRU		off its highs	gold
PVW Resources	PVW		down	rare earths
Queensland Pacific Metals	QPM		testing downtrend	nickel/cobalt/HPA
Red River Resources	RVR		longer term uptrend	zinc
Regis Resources	RRL		rising	gold
Renergen	RLT		new high	gas, helium
RIO	RIO		new uptrend	diversified, iron ore
Rumble Resources	RTR		breached downtrend	gold exploration
S2 Resources	S2R		consolidating after steep rise	gold exploration
St Barbara	SBM		testing downtrend	gold
Sandfire Resources	SFR		breached uptrend	copper
Santos	STO		uptrend	oil/gas
Saturn Metals	STN		sideways	gold exploration
Silex Systems	SLX		turning up again	uranium enrichment technology
Silver Mines	SVL		sideways	silver
South Harz Potash	SHP		rising	potash
Stanmore Coal	SMR		pullback	coal
Strandline Resources	STA		surge to new high	mineral sands
Sunstone Metals	STM		downtrend	exploration
Talga Resources	TLG		testing downtrend	graphite
Technology Metals	TMT		down	vanadium
Tesoro Resources	TSO		spiked through downtrend	gold exploration
Theta Gold Mines	TGM		down	gold
Thor Mining	THR		spiked higher	gold exploration
Tietto Minerals	TIE		breached uptrend on placement	gold
Titan Minerals	TTM		breached downtrend	gold
Turaco Gold	TCG		downtrend	gold exploration
Vanadium Resources	VR8		new high	vanadium
West African Resources	WAF		holding uptrend	gold
Westgold Resources	WGX		down	gold
West Wits Mining	WWI		back to support line	gold
Whitehaven Coal	WHC		secondary uptrend	coal

Wiluna Mining	WMC		breached uptrend	gold
Yandal Resources	YRL		breached uptrend	gold exploration
Zenith Minerals	ZNC		surge to new high	gold exploration
Zinc Mines of Ireland	ZMI		sideways	zinc
Totals	39%	55	Uptrend	
	30%	43	Downtrend	
		141	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	**31**	**22.0%**	
Gold Exploration	**23**	**16.3%**	
Nickel	**11**	**7.8%**	
Copper	**10**	**7.1%**	
Rare Earths	**11**	**7.8%**	
Oil/Gas	**7**	**5.0%**	
Iron Ore/Manganese	**6**	**4.3%**	
Lithium	**4**	**2.8%**	
Potash/Phosphate	**5**	**3.5%**	
Graphite/graphene	**4**	**2.8%**	
Uranium	**3**	**2.1%**	
Zinc/Lead	**4**	**2.8%**	
Mineral Sands	**3**	**2.1%**	

Silver	**3**	**2.1%**	
Coal	**3**	**2.1%**	
Bauxite	**2**	**1.4%**	
Cobalt	**1**	**0.7%**	
Tin	**1**	**0.7%**	
Diamonds	**1**	**0.7%**	
Other	**8**		
Total	**141**		

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. In this week's publication FEC discloses that interests associated with the the author hold shares in First Graphene. and Lucapa Diamond Company. 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 fees from Alicanto Minerals, Blackstone Minerals, Broken Hill Prospecting, Cobalt Blue, First Graphene, Golden Rim, Lindian Resources, Lucapa Diamond Company, Orinoco Gold, Pacific American and West Wits for corporate and capital raising services. Its primary business is investing and managing its own money, but it does occasionally raise money for resource companies.