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The Mining Investment Experts

Weekly Commentary

4 November 2023 *Chart comments at Friday's close* Analyst : Warwick Grigor

EV enthusiasm isn't delivering yet

Markets staged a good recovery last week and many of the stocks under chart coverage saw an abatement of selling. Quite a few started to test downtrends and some confirmed the start of new uptrends. The net effect was a small but useful recovery the Sentiment Oscillator. Thus we can afford to be a bit more optimistic.

It is amazing how quickly the thematic on interest rates has turned around with Wall Street becoming bullish. Jerome Powell has signalled the the top of the interest rate cycle is in sight. He has given himself plenty of wiggle room though, saying that rates are unlikely to be cut before the middle of next year. Nevertheless he has laid the foundation for a swing in sentiment, for the time being at least.

Taking stock of where the EV revolution is at

While talking about changing thematics, there seems to be a shift of enthusiasm from EVs from some sources. Most notably, Peter Zeihan, the well-informed commentator on international affairs, has made a number of points;

- A large number of companies are pulling back on EV manufacturing plans. Ford and GM have cancelled their plans to build new facilities. Tesla has been expressing doubts about a planned gigafactory in Mexico.
- He states that the environmental benefits of EVs are at best questionable, noting that EVs are not built with a clean energy mix in the first place. There is a heavy reliance on fossil fuels in the manufacturing of the cars, everywhere in the world. Most of them don't break even on the carbon scale for almost 10 years.
- EVs require an order of magnitude of more input materials such as copper, nickel, molybdenum, lithium and graphite. Sourcing them has a high energy cost in the first place.
- It will take decades to build up supply chains of these materials.
- EVs are still much more expensive than ICE (internal combustion engines) vehicles.
- The electricity network capacity has never increased by more than 3% p.a. (in the USA) since the 1950s, but the capacity needs to increase by 50% if it is going to accommodate the EV push. This capacity increase will take at least 10-20 years to be achieved.
- Consumers are showing reluctance to switch to EVs. Sales are falling and stockpiles are building, with the market share still no more than 1% in the USA.
- The touchy feeling goodness of EVs just isn't working in real life.

So, what does this mean for us as investors in suppliers of raw materials? On the one hand we could be enthused by the anticipated increase in demand for the materials, as logic will tell you that commodity prices must go up in order to induce a supply response. However, on the other hand that makes EVs even more expensive and less competitive with ICE vehicles, so that will moderate demand. Where is the balance?

So far we have been disappointed with the price performance of many commodities, especially with lithium and rare earths prices which have actually collapsed over the past 12 months. Where have the boom times gone? It is convenient to blame China for messing around with prices and supplies, but that doesn't get us very far.

The reality is that the whole EV narrative needs to change, as does the move to green energy. It is not just a matter of waving a magic wand. It will take time. Those companies seeking greater attention from markets due to their focus on critical metals or other green credentials will find that they still have to be better than 90% of their competitors if they are going to develop a credible business model. The corollary is that 90% of the companies you might be considering investing in, will fail.

We have had the interest rate induced bear market that has slowed everything down. Reality is starting to bite more deeply than elevated expectations. When the market recovers it is likely to do so much more selectively. As we focus on fundamentals, in a buyers market, we should be focusing on quality and management more selectively than the heavily promoted story lines.

Lucapa recovers a 208 carat diamond

Lucapa's Lulo alluvial diamond mine in Angola continues to be one of the most impressive diamond operations in the world, as evidenced by the recovery of another massive specimen, this time weighting 208 carats. Most diamond companies would kill for this type of gem, but for Lucapa it is almost becoming monotonous. Nevertheless, just like in the early days of Fortescue's operation when a large bell would be rung in the office every time a ship load of iron ore left port, it is newsworthy to mention the exceptional diamonds.

This latest high value stone could be worth anything from \$5-10m. To put this into perspective, this is more than 10% of Lucapa's market capitalisation. Talk about delivery of value!

Disclosure: Interests associated with the author owns shares in Lucapa Diamond Company.

IMARC Conference was the feature last week

Having provided the motherhood state above, it is relevant to see how this relates to the IMARC Conference last week at which there was a large band of junior mining companies attending with a view to boosting share market support.

We have quite a few investor and company conferences around the country each year where companies get chances to promote their wares, but nothing is as big as IMARC. The bulk of the floor space at the Darling Harbour Convention Centre is taken up by mining industry suppliers promoting their equipment that is applicable to all aspects of mining, but there were also about 100 ASX-listed companies doing the usual spruiking. So, it is a good opportunity to meet up with management and quiz them about their prospects and performances.

When you are in a bull market the best modest operandi for investors seems to be buy on a whim and do the homework later as punters scramble to get ahead of the pack. The reverse is the case in a bear market. There is plenty of time to make more carefully considered investment decisions, doing the homework before placing a buy order.

When talking to companies in their stands it is important to distinguish between aspirational statements and harsh reality. The companies will be quick to tell you why they are such a good proposition in the short time that you are speaking with them, but the very definition of promotion means that they are most unlikely to give you a balanced perspective. They will tell you what they are "*gunna do*", but there is an ocean of obstacles that first have to be overcome. When you are operating in a "*risk off*" market that amplifies negatives, these obstacles carry more weight.

Companies visited at IMARC

We have provided a quick snapshot of the companies we talked to at IMARC. This is more a list of first impressions rather than detailed analysis. Some require deeper thought and perhaps follow-up commentary in subsequent publications.

Aurora Energy (1AE) - Uranium in the USA

Price: ***11¢*** *Mkt Cap:* ***$17.5m*** *Cash:* ***$3m*** *(App. 5B, Sept)*

Looks very cheap at these levels, around $0.50/lb on a resource of 50.6 Mlb with a high-grade core of 18 Mlb at 485 ppm U_3O_8. It claims to have the largest single Measured and Indicated uranium resource in the USA (Oregon). Amenable to beneficiation to lift feed grade to 500 ppm. Low cost mining, shallow and free digging. Managing Director, Greg Cochran, has decades of experience in uranium. Deserves a re-rating in the market.

Avenira (AEV) - Phosphate + downstream products

Price: ***1.3¢*** *Mkt Cap:* ***$22m*** *Cash:* ***$1.7m*** *(App. 5B, 30 Sept)*

A very interesting company aiming to produce high-value products from the Wonarah Phosphate Project east of Tennant Creek in the NT, originally discovered by Andrew Drummond many years ago. Looking at high grade phosphate rock, conversion to yellow phosphorus, thermal phosphoric acid and lithium ferro phosphate (LFP).

M/I/I Resource of 66 Mt at 30% P_2O_5 with a 27% cut-off, but 533 Mt at 21% with a 15% cut-off. DSO project has pre-production costs of only $11.5m and AISC of A$181 pt. Feasibility study completed; negotiating offtake now.

Non-typical geology makes it suitable for conversion to yellow phosphorus (YP) for herbicide and chemical applications. China controls YP supply with 95% of the market but it is now banning expansion due to high energy consumption and pollution. Beeteloo gas pipeline and solar power provide AEV with energy cost advantages. Scoping study about to be released.

Next step will be to make phosphoric acid for food processing and batteries, then lithium ferro phosphate for use in car batteries. Studies continuing.

Plenty of near-term upside potential with phosphate prices around US$350/tonne, up almost 400% from three years ago. Downstream products require more studies and ultimately, much capital. Key to success will be business partnerships, especially those that assist in financing. So, a serious company in the making, over time. Selling at option value today.

Besra Gold (BEZ) - Gold in Sarawak

Price: ***12.5¢*** *Mkt Cap:* ***$52m*** *Cash:* ***$6.7m*** *(App. 5B, 30 Sept)*

Besra Gold Inc is an unusual gold company both in its location - in Sarawak's Bau Goldfield - and its method of funding. Primary listing is in Canada, with ASX listing achieved in October 2021 (CDIs).

JORC resources are good at present, being 19.9 Mt at 1.6 gpt for 991,000 oz (M/I), and a further 47 Mt at 1.3 gpt for 1.99 Moz in the Inferred category. There is an impressive Exploration Target of 4.9-9.3 Moz of gold.

In a unique funding method, Quantum Metal Recovery Inc (a 30% shareholder) has agreed to a US$300m Gold Purchase Agreement payable at a rate of US$10m per month for 30 months. So far US$15m has been received from Quantum.

Over time Quantum will receive up to 3 Moz of gold or US$300m worth, at 90% of the market price, but the gold never has to be delivered at a loss to Besra. After the first 200,000 oz of gold have been delivered, Besra will only be required to deliver 60% of production to Quantum.

There are all sorts of terms in the agreement that you can read in ASX releases, but cutting to the chase, Besra seems to have secured all the funding needed to commence production. Given the size of the resources, the price tag of $52m seems modest. There should be no further dilution of existing shareholders as the effective forward selling of gold now, and for the next 30 months, removes that concern. There's potential for a big re-rating once the market gets its head around the unusual aspects of the Company and gold production becomes imminent.

Critical Minerals Group (CMG) - Oxide vanadium

Price: ***24.5¢*** *Mkt Cap:* ***$14m*** *Cash:* ***$1.8m*** *(App. 5B, 30 Sept)*

CMG is another company chasing low-grade oxide vanadium in the Julia Creek region of Queensland. We previously covered Richmond Vanadium that has eliminated the grinding stage of its process flowsheet and used a new flotation agent in order to achieve much better recovery rates. http://www.fareastcapital.com.au/imagesDB/newsletter/WeeklyComm22October2022.pdf

CMG has an Indicated Resource of 254 Mt at 0.44% V_2O_5 with a shallow oxidised component of 128 Mt at 0.48% V_2O_5 at the Lindfield Project. Like Richmond, it is promoting the process that is less complex and lower cost than that for hard rock deposits. It is planning a $10m demonstration plant, funded by the Qld Government.

Assuming that the resource and metallurgical characteristics are similar to those of Richmond's Lilyvale deposit, the market capitalisation is anonymously lower than that of Richmond; $14m versus $88m. Though, Richmond has $17m in cash and CMG has only $1.8m. The oxide vanadium makes for an interesting alternative to hard rock projects. It may be that both CMG and Richmond have projects of merit. Keep an eye on both.

Golden Mile Resources (G88) - Nickel in WA

Price: ***2.1¢*** *Mkt Cap:* ***$6.9m*** *Cash:* ***$1.2m*** *(App. 5B, 30 Sept)*

Golden Mile has a modest nickel resource of 26.3 Mt at 0.64% Ni and 0.04% Co in the Ravensthorpe region of W.A. Add some rare earths and scandium for extra spice. Interestingly, the mineralisation is in saprolite rather than the more common, and difficult, limonite. That means HPAL is not needed.

The points of differentiation continue when you consider the supergene mica/vermiculite impact on grade. It seems that there are pipes of structurally controlled mica horizons that have soaked up nickel to give much higher grades ranging from 1.04% Ni to 2.35% Ni. Test work has been resulting in even better grades from concentrates.

So this seems a very cheaply priced stocks with curiously high-grade nickel potential. Golden Mile has to establish the size and extent of these mica zones to determine if they can be mined discretely in what could be a profitable high grading exercise, with concentrates saleable to a WA smelter.

Green Battery Minerals (TSX:GEM) - Graphite and lithium in Quebec

Price: ***6¢*** *Mkt Cap:* ***$5.2m*** *Cash:* ***$3.5m*** *(15 October)*

GEM is a tiny Canadian company with a small, 3.2 Mt high-grade graphite resource adjacent to Nouveau Monde's $3.6bn NPV, Uatnam Graphite Mining Project in Quebec. So, you could say it is an address play. GEM's grades are 16-17% CGR, and only 10% of the ground has been drill tested.

But wait, there is more. Its ground in the James Bay region of Quebec also has potential for lithium. Historical data shows 33 outcropping pegmatites. This is a grass roots exploration play that it has had for only two months. It is hoping for funding or joint venture deals whilst visiting Australia.

Magnetite Mines (MGT) - Iron ore in Sth Australia

Price: ***31¢*** *Mkt Cap:* ***$23m*** *Cash:* ***$2m*** *(App. 5B, 30 Sept)*

MGT describes its magnetite as a rare, premium grade that is better than haematite if you want to reduce the carbon footprint. The Razorback Iron Ore Project in South Australia has a huge 4.5 Bt I/I JORC Resource containing a 2 Bt Reserve at grades of around 18% Fe. Being magnetite, this has to be upgraded by a direct reduction process to a saleable concentrate, expected to be 62% FeEq grade, for use in electric arc furnaces.

The first stage has a target of 5 Mtpa of concentrates, extracted from 25-30 Mtpa of ore feed. The process includes grinding and flotation, then regrinding in an Isa mill to 38 μm. A second stage would double the capacity to 10 Mtpa. Studies and planning will continue throughout 2024.

Access to capital will be a key hurdle with > $1bn needed for the base case. That means MGT will need to enlist the support of joint venture partners that will most likely be looking for iron ore supplies e.g. steel mills. The timeline and the ultimate success is uncertain, but they are giving it a go.

MGT is currently raising $6.2m in a 3 for 11 renounceable rights issue at 30¢ a share, with attaching options on a 1 for 2 ratio.

Miramar Resources (M2R) - Gold expl'n in WA

Price: ***1.9¢*** *Mkt Cap:* ***$2.8m*** *Cash:* ***$1m*** *(App. 5B, 30 Sept)*

Miramar is a tiny gold exploration company (with a little lithium) headed by Allan Kelly, most notable for his success with Doray Minerals, the developer of Andy's Well Gold Mine in WA. The two main regions of focus are the Capricorn Origin Projects in the Ashburton region of WA, and the Eastern Goldfields Projects E and NE of Kalgoorlie.

Being grass roots exploration projects means that there is not much to say at this point other than the fact that Allan has a successful track record and any exploration success could give enormous leverage given the market capitalisation of $2.8m. Maybe a counter cyclical approach is the smart way to play this one.

Carrying over until next week.

I know some readers complain when the Weekly runs over onto three pages, so I will hold back another five companies until next week.

The difference between Sydney and Melbourne

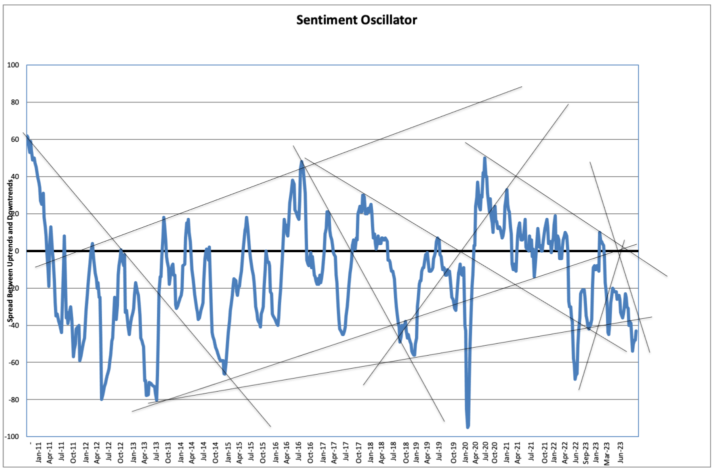
Last week's activity was dominated by the IMARC Conference at Darling Harbour, in Sydney. It was previously held in Victoria but was moved to Sydney as a consequence of aggressive and sometimes violent protesters number in their hundreds disrupting the event. When I attended the last one held in Melbourne, the police had to escort me through a cordon they were so concerned about my safety (not just me).

The cost of security in Melbourne was crippling so the event had to be moved to Sydney. There was still an excessive security presence in Sydney that was greater than what you experience checking in at airports, but there were no protestors. Sorry, when I asked the police about it they said there were four feral type protestors for about an hour, but I never saw them.

It says a lot about how the Victorian and New South Wales societies. Victoria is a left wing state that permits, if not encourages, anti-social and aggressive minority groups that work against the greater good of all. Look at the frequency of protesting events we see on TV. Trade union power in Victoria is an example of how the Labor Party works with vested interest, politically motivated organisations to achieve their left wing goals.

There is nothing to suggest that the Labor Party and trade unions are saints in NSW, but they seem to less left leaning. There is a different feel to the attitudes being expressed. IMARC is an example of how this manifests in daily life. In Sydney we seem more concerned with encouraging commerce and industrial activity than mindlessly protesting against it … at least that is what you might think if you pay too much attention to vocal minority groups.

We added Astral Resources to the chart coverage.



Sentiment Oscillator: Sentiment improved over week with a small number of stocks confirming the start of new uptrends. There were 19% (13%) of the charts in uptrend, and 62% (61%) 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		bouncing from lows	
Metals and Mining	XMM		rallying	
Energy	XEJ		breached uptrend	
Information Technology	XIJ		bouncing from lows	
Stocks	**Code**		**Trend Comment (updated comments in bold)**	**Main Interest**
5EA Advanced Materials	5EA		recovery uptrend	boron
92 Energy	92E		heavy fall on exploration news	uranium
A-Cap Energy	ACB		testing uptrend	uranium
Alpha HPA	A4N		strong recovery	HPA
Adriatic Resources	ADT		new high	zinc, polymetallic
Advance Metals (was Pacific American)	AVM		back to lows	coal, gold exploration
Aguia Resources	AGR		at lows	phosphate, copper exploration
Alkane Resources	ALK		down	gold
Alicanto Minerals	AQI		stronger	base metals, silver, gold
Almonty Industries	AII		weaker	tungsten
Altech Chemical	ATC		new low on placement	HPA, anodes
Anteotech	ADO		new low on placement	silicon anodes, biotech
Alto Metals	AME		at lows with a placement	gold exploration
American Rare Earths	ARR		sideways	rare earths
Antilles Gold	AAU		new low	gold and copper expl.
Anax Metals	ANX		new low	copper
Arafura Resources	ARU		new low	rare earths
Ardea Resources	ARL		secondary downtrend	nickel

Aurelia Metals	AMI		failed at secondary downtrend	gold + base metals
Australian Rare Earths	AR3		down	rare earths
Australian Strategic Materials	ASM		strong rally	rare earths
Arizona Lithium	AZL		testing downtrend	lithium
Astral Resources	AAR		rising	gold
Azure Minerals	AZS		another surge higher then pullback	nickel exploration
BHP	BHP		testing downtrend	diversified, iron ore
Barton Gold	BGD		testing downtrend	gold exploration
Beach Energy	BPT		breached uptrend	oil and gas
Bellevue Gold	BGL		off its high	gold exploration
Black Cat Syndicate	BC8		testing steepest downtrend	gold
BMG Resources	BMG		down	gold exploration
Boab Metals	BML		recovering from lows	silver/lead
Calidus Resources	CAI		new low	gold
Caravel Minerals	CVV		still down	copper
Carnaby Resources	CNB		new low	copper
Castile Resources	CST		back to lows	gold/copper/cobalt
Cazaly Resources	CAZ		down	rare earths
Celsius Resources	CLA		sideways	copper
Cobalt Blue	COB		down again	cobalt
Cyprium Metals	CYM		collapse on return from suspension	copper
Dateline	DTR		down	rare earths
Ecograf	EGR		rising, but approaching resistance line	graphite
Emerald Resources	EMR		rising, new high	gold
Empire Energy	EEG		risen to resistance line	gas
EQ Resources	EQR		testing uptrend	tungsten
Euro Manganese	EMN		new low	manganese
Evolution Energy	EV1		new low	graphite
Evolution Mining	EVN		breeched uptrend	gold
First Graphene	FGR		breached uptrend	graphene
Fortescue Metals	FMG		rising	iron ore
FYI Resources	FYI		testing steepest downtrend	HPA
Galena Mining	G1A		new low	lead
Genesis Minerals	GMD		testing support	gold
Genmin	GEN		suspended	iron ore
Gold 50	G50		down	gold exploration + gallium
Great Boulder Resources	GBR		new low	gold exploration
Group 6 Metals	G6M		down	tungsten
Hamelin Gold	HMG		testing downtrend	gold exploration
Hastings Technology Metals	HAS		new low	rare earths
Hazer Group	HZR		breached steepest downtrend	hydrogen
Heavy Minerals	HVY		down	garnet
Highfield Resources	HFR		new low	potash
Hillgrove Resources	HGO		rising gently	copper

Iluka Resources	ILU		heavy fall	mineral sands
ioneer (was Global Geoscience)	INR		down	lithium
Ionic Rare Earths	IXR		breached downtrend	rare earths
Jervois Mining	JVR		new low	nickel/cobalt
Jindalee Resources	JRL		testing downtrend	lithium
Kaiser Reef	KAU		sideways through downtrend	gold
Kalina Power	KPO		testing downtrend	power station additive
Krakatoa Resources	KTA		secondary downtrend	rare earths
Kingfisher Mining	KFM		down	rare earths
Lepidico	LPD		improving	lithium
Lindian Resources	LIN		down	rare earths + bauxite
Lion One Metals	LLO		surge out of downtrend	gold
Li-S Energy	LIS		new low	Lithium sulphur battery technology
LCL Resources	LCL		back to lows	gold exploration
Lotus Resources	LOT		rising	uranium
Lucapa Diamond Company	LOM		testing downtrend	diamonds
Lunnon Metals	LM8		new low	nickel
Lynas Corp.	LYC		still down	rare earths
Marmota	MEU		surged higher	gold exploration
Matador Mining	MZZ		down	gold exploration
Mayur Resources	MRL		back in uptrend	renewables, cement
Meeka Gold	MEK		down	gold
Megado Minerals	MEG		down	rare earths, gold exploration
MetalsX	MLX		down	tin, nickel
Meteoric Resources	MEI		off its high	rare earths
Metro Mining	MMI		sideways	bauxite
Midas Minerals	MM1		slump	lithium
Nagambie Resources	NAG		new low	gold, antimony
Neometals	NMT		new low	lithium
Newfield Resources	NWF		down	diamonds
Northern Star Res.	NST		rising	gold
Nova Minerals	NVA		spiked higher	gold exploration
Orecorp	ORR		rising	gold development
Pacific Gold	PGO		breached short term uptrend	gold exploration
Pantoro	PNR		fallen back to lows	gold
Panoramic Res	PAN		bounced from lows	nickel
Parabellum Resources	PBL		down - suspended	rare earths
Patriot Battery Metals	PMT		breached uptrend	lithium
Peak Resources	PEK		new low	rare earths
Peninsula Energy	PEN		collapse	uranium
Perseus Mining	PRU		breached downtrend	gold
Poseidon Nickel	POS		collapse	nickel
Provaris Energy	PV1		turning down	hydrogen
QMines	QML		new low	copper

Queensland Pacific Metals	QPM		long term down	nickel/cobalt/HPA
RareX	REE		breached downtrend	rare earths, phosphate
Regis Resources	RRL		breached steepest downtrend	gold
Renergen	RLT		strong bounce from lows	gas, helium
Richmond Vanadium	RVT		sideways	vanadium
RIO	RIO		rising again	diversified, iron ore
Rumble Resources	RTR		secondary downtrend	gold exploration
S2 Resources	S2R		rising gently	gold exploration
Sandfire Resources	SFR		down	copper
Santos	STO		rising	oil/gas
Sarama Resources	SRR		at rock bottom	gold exploration
Sarytogan Graphite	SGA		new low	graphite
Siren Gold	SNG		new low	gold exploration
South Harz Potash	SHP		down again	potash
Southern Cross Gold	SXG		surge higher	gold exploration
Southern Palladium	SPD		breached downtrend	PGMs
Stanmore Coal	SMR		new high	coal
Strandline Resources	STA		new low	mineral sands
Sunstone Metals	STM		meeting resistance line	gold/copper exploration
Suvo Strategic Minerals	SUV		sideways	kaolin
Talga Resources	TLG		down	graphite
Tamboran Resources	TBN		improving	gas
Technology Metals	TMT		down	vanadium
Theta Gold Mines	TGM		strong rise	gold
Thor Energy	THR		back into downtrend	uranium
Tietto Minerals	TIE		surge on takeover approach	gold
Vanadium Resources	VR8		drifting lower	vanadium
Venture Minerals	VMS		down	tin, tungsten
Vintage Energy	VEN		breached downtrend	gas
Voltaic Strategic Resources	VSR		new low	REO + lithium
West African Resources	WAF		new low	gold
West Cobar	WC1		down	rare earth + lithium
Westgold Resources	WGX		new high	gold
West Wits Mining	WWI		sideways	gold
Whitehaven Coal	WHC		testing downtrend	coal
Xantippe Resources	XTC		down	lithium
Zenith Minerals	ZNC		breached downtrend	gold exploration
Totals	19%	27	Uptrend	
	62%	87	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 Exploration	18	12.8%	
Gold	20	14.2%	
Rare Earths	17	12.1%	
Lithium	10	7.1%	
Oil/Gas	8	5.7%	
Copper	9	6.4%	
Nickel	7	5.0%	
Iron Ore/Manganese	5	3.5%	
Graphite/graphene	5	3.5%	
Uranium	6	4.3%	
Silver	4	40.0%	
Tungsten	3	2.1%	
Mineral Sands	2	1.4%	
Vanadium	3	30.0%	
Zinc/Lead	2	1.4%	
Coal	2	1.4%	
Potash/Phosphate	3	2.1%	
Bauxite	2	1.4%	
Tin	2	1.4%	
Cobalt	1	0.7%	
Diamonds	2	1.4%	

Other	**10**		
Total	**141**		

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