

6 November 2021

On Friday's Close

Analyst : Warwick Grigor

## Next Hydrogen - developing the next generation of electrolyzers

### *Inflation a growing concern for WA miners*

Last week I attended the 121 Hong Kong mining conference, hearing presentations from over 30 companies. Many of them were WA-based. A common theme amongst these companies was that inflation has been a recent issue, but more so than in other jurisdictions. The closed border policy of WA is making it difficult for new operations to attract staff. Labour rates in some places are up to 50% higher than three years ago, with the labour shortage infiltrating through to all levels of operations. Add this to rising diesel costs, higher steel prices and tight supply chains and you have inflation cutting into profit margins.

### *Next Hydrogen Solutions - providing climate tech solutions to the hydrogen space*

Our Prime Minister is putting faith in the emergence of new technology - climate tech - as a solution to reach zero net carbon. Hydrogen is being touted as the answer and the saviour but it can't play this role effectively without continuing technological advancement. Just using renewable energy to power existing electrolyzers and calling it greens falls a long way short of what is required. We need the efficiency of the next generation of electrolyzers.

Next Hydrogen Solutions Inc. (NXH-TSXV) is a front runner in the development of more efficient electrolyzers. Over the last 13 years the Company has focused on designing and manufacturing electrolyzers with a patent-protected cell architecture. This enables high current density operations and greater dynamic response, offering more efficient conversion of intermittent renewable electricity into green hydrogen, on an infrastructure scale. Following successful pilot projects, Next Hydrogen is expanding its technology to provide commercial solutions to decarbonise the industrial and transportation sectors.

### *Background*

Hydrogen power has burst onto centre stage in 2021, but for decades before that it was mostly seen as an interesting but not commercial source of energy for anything other than specialist industrial uses. Companies like Ballard Power Systems Inc have been working the space since the 1980s, with the objective of powering automobiles, spending billions of dollars in the process. Hydrogen fuel cell companies have come and gone without much impact, but Next Hydrogen is offering something different.

The Company has been awarded 38 global patents concerning its design. The objective has been to solve many of the issues with alkaline electrolyzers while maintaining the benefits alkaline systems have over proton exchange membrane (PEM) electrolyzers (the primary alternative).

Existing electrolyser manufacturers employ technology that has been around for decades. There are still less than 10 companies in this space, globally. The public, pure-play electrolysis companies include Nel, ITM Power, Green Hydrogen Systems, and McPhy Energy, while other electrolyser manufacturers of note include Cummins, Siemens, Asahi Kasei, and Thyssenkrupp.

Next Hydrogen is the only publicly listed, pure-play water electrolysis company in North America and just one of five globally. With the world stepping back from globalisation, one should expect some home-grown enthusiasm from the authorities and investors in Canada and the USA.

### *Comparing existing alkaline and PEM methods*

Existing electrolyser technology comprises two principle methods as described below.

The Alkaline process

- mature technology with a low manufacturing cost
- hydrogen production amount of 1000m<sup>3</sup>/h, which is suitable for the current large-scale hydrogen production-hydrogenation station
- disadvantages of slow start-up, corrosion, complicated maintenance, and many components that make up the device

The PEM Process (proton exchange membrane)

- advantages of fast start-up, no corrosion, simple maintenance, and fewer components
- the most advanced equipment can produce hydrogen at 400m<sup>3</sup>/h
- High manufacturing costs are the main factors that restrict the development of PEM hydrogen production technology.

### *Next Hydrogen's new alkaline technology*

New Hydrogen's innovation is all about redesigning the architecture of the unit to increase efficiency of fluid flows in alkaline water electrolysis. While conventional designs collect all the fluid flows in internal manifolds of the electrolyser module, which are then separated from the gas in external gas-liquid separators, Next Hydrogen maintains fluid flows separately in each half-cell, or "slice", of the electrolyser module. The gas-liquid separators work right at the cell plate rather than in a subsequent, ancillary step.

The improved design enables;

- higher current density - up to 2.5x higher production levels of hydrogen using roughly the same amount of materials, reducing equipment cost
- superior dynamic response - management of fluid and gas flows at a cellular level allows substantially faster ramp up rates than existing alkaline systems, making it more suitable to intermittent renewable electricity sources such as solar or wind. They can capture

fluctuations in energy at up to ~5% per second compared to conventional alkaline systems at up to ~5% per minute

- scaleability of design - Next Hydrogen expects to be able to deliver electrolyzers that can scale up its power by a factor of 300% with roughly the same footprint as competitor products.

### *Modular expansion rather than scaleability*

Increasing the capacity of hydrogen production from any facility involves the installation of more modules rather than larger units. There is an issue of low current density beyond a certain size. Most units have a capacity of 2-5 MW and operate at a current density of 0.4 to 0.6 amps/cm<sup>2</sup> of active cell surface area. The largest known unit is 10 MW but the low energy density of 0.3 amps is not considered economic.

So far Next Hydrogen has built two pilot projects with Atomic Energy Canada Limited and Canadian Tire to demonstrate its electrolyzers, with unique cell design architecture enabling about 1 amp/cm<sup>2</sup>. It is currently in the process of scaling up its units from 0.4MW to 1.8MW with demonstrations planned in 2022. The 1.8MW unit will be placed in two 20 foot containers in a customer's warehouse. They will be connected to water and electricity supply to generate hydrogen sufficient to power up to 200 fuel cell forklifts.

Further, the Company is working on the design of a 6 MW unit that will have the same footprint. Diseconomies of scale beyond this capacity come about due to the difficulties in the manufacturing of the equipment, so there still needs to be a modular approach for large scale hydrogen production. This is the same issue that restricts the size of competing electrolyzers.

### *Important business relationships and collaboration*

In 2014 Canadian Tire commissioned an NH-60 (0.4MW) unit for a pilot project at one of its facilities in Brampton, Ontario, validating the platform for larger process plants. In 2016, Canadian Tire ordered a larger-scale (1.8MW) unit (model NH-300) for use at its new Bolton, Ontario, distribution centre with a second NH-300 ordered in 2019.

Significantly, Next Hydrogen's process has already been trialled by industry. It has been working with Hyundai Motor Corporation and Kia Corporation since July 2021, under an MoU to further develop the alkaline electrolysis system, following a 12 month period of due diligence.

### *The next steps to commercialisation*

When questioned about how long the development of the new electrolyser has taken, the Company expressed concerns that it has been financially constrained up until recently. However, having raised \$61m in 2021, it is now well-funded to accelerate the commercialisation stage. Over the next three years, Next Hydrogen intends to:

- freeze the design and commercialize its current alkaline electrolyser product lines (1MW, 2MW, and 3MW);
- develop demonstration projects of electrolyzers up to 9MW as well as a PEM electrolyser product line;
- seek strategic partnerships with industrial and renewable companies globally and
- advance build-own-operate hydrogen production plants with partners.

### *The Bottom Line - the hydrogen hype is still coming*

With the share price of \$5.76, the market capitalisation is not expensive at C\$132m. The 12 month trading range for 2021, has been \$4.52 to \$10.25. Back in April it raised \$55.5m at \$10.00 per share, but strangely, the price collapsed after that raising. At the moment it seems to be on a rebound.

The market hasn't seemed to have woken up to the potential this Company offers. The hydrogen hype has not yet rubbed off on its share price but when it does, it is likely that speculators will take it much higher.

Eventually the earnings and profitability of a company like Next Hydrogen will determine what the appropriate share price should be. Up until that point however, its price will be governed by the level of emotional speculation and optimism in the hydrogen space. The expectation of some analysts that the electrolyser market could grow from US\$1bn in 2021, to US\$80bn by 2030, will be an important motivator. It is anomalous that the share price has not been stronger given the hype around hydrogen and the promise that the Company holds.

### *121 Hong Kong Conference*

Last week I attended the 121 Hong Kong Conference, virtually, and listened to the stories of more than 30 companies. This type of conference is very convenient and cost effective for the investor, as you don't have to leave your office. Meetings are kept to an efficient 30 minute time slot and you have managements' full attention for that period. It is a great way for the companies themselves to get their stories across. Quick snapshots of the companies I met are listed below, in alphabetical order.

**Arrow Minerals** (AMD:ASX) Price: 7¢ Mkt Cap: \$12m Cash \$2m. Gold explorer in Burkina Faso, close to Ouagadougou. Probably looking at 0.5 Moz now, with much greater potential. Planning 6,000m of drilling over next three months. Trevali Mining, the owner of the Perkoa Zinc Mine, has joint ventured gold ground to Arrow and provided a vast data base of early stage drilling. *Looks good value here.* Will raise money in Q1 2022, after doing more drilling.

**Azure Minerals** (AZS:ASX) Price: 37¢ Mkt Cap: \$115m Cash \$24m. The most promising new nickel company. Spending \$1.5m a month proving up the VC-7 orebody on the **Andover** Ni-Cu Project (60%), SSE of Dampier. Drilled 120 holes so far. Confident that the East Zone has enough drilling to announce a resource, so now drilling out the similar West Zone. Met work indicates good, clean NiCo concentrate (13-15%) and separate Cu concentrate (25%). Excited about Barton gold prospect SE of Leonora. Genesis's Puzzle North discovery, 600m long, goes right up to the boundary. Watch this for drilling starting late November. *Definitely a quality growth stock for any portfolio.*

**Banyan Gold** (BYN:TSX.V) Price: 28¢ Mkt Cap: C\$64m Cash C\$15.5m. Low grade, heap leachable **Aurmac** gold project in the Yukon. Currently 0.9 Moz at 0.54 gpt with a 0.2 gpt cut-off grade. Additional 30,000m of drilling in 2021, not yet included in resource. Good infrastructure, year-round access. Similarities to nearby Eagle Gold Mine owned by Victoria Gold. That one is looking at 220,000 oz p.a. from a

6 Moz resource base. Banyan needs 3 Moz to make worthwhile, and confident of getting there. *Good management experience, on a good growth path.*

**Canada Nickel Company** (CNC:TSX.V) Price: \$2.74 Mkt Cap: C\$243m Cash:C\$11.5m. Substantial size pre-development nickel company with the low-grade **Crawford Sulphide Nickel Project** in the Timins-Cochrane mining camp. PEA details up to 42,000 tpa Ni production (average 34,000 tpa) with cash costs of US\$1.09/lb, AISC of US\$1.94/lb, over 25 year mine life. Annual EBITDA US\$439m. Feasibility study expected in 2022. Huge capex of US\$1.1bn for Stage 1, with US\$543m and US\$194m for subsequent stages. Interesting project run by ex-Inco manager Mark Selby. Describes itself as a next generation Canadian nickel company. *More an institutional company than for private investors.* Still plenty of optimising steps to go through before being to take to capital markets for financing.

**Coda Minerals** (ASX:COD) Price: 88¢ Mkt Cap: \$80m Cash \$16m. An exploration company searching for IOCG style deposits in South Australia. It already has a useful resource of 17.67 Mt at 0.77% Cu, 0.05% Co and 8 gpt Ag at Windabout. This is part of the Elizabeth Creek Project in which it is earning a 70% interest. Back in June, it announced an intercept of approximately 200m of intensely haematitic and altered sediments and granites, including approximately 50m of moderate to intense copper sulphide mineralisation, including chalcocite, chalcopyrite and bornite. Several zones gave an assay aggregated to 35m at > 1% copper. In somewhat of an overreaction, the shares ran from 35¢ to \$1.75 within a few days, enabling a \$14.4m raising at \$1.20 per share. The shares have been falling ever since. Within four weeks the Company hopes to release a maiden resource at Emma Bluff that may be in the order of 30 Mt at 1.5% Cu, but it is still looking for the big one. *This is a genuine exploration company with exiting prospects.*

**Codrus Minerals** (CDR:ASX) Price: 14¢ Mkt Cap: \$10.5m Cash \$6.5m. This gold exploration company was a recent spin-out from Blackstone Minerals, which continues to hold 46% of the shares. Its lead project Red Gate, north of the Porphyry Gold Mine in WA., where it has just commenced a 2,500m RC drill program. The Middle Creek Project up near Nullagine is about 10 km NE of Novo Resources conglomerate gold mine. While there are good surface samples, it has never been drilled. This ground will be drilled in March/April next year. Other ground is held to the south of the Silver Swan nickel mine in WA, and in Oregon, USA. *It is early days yet with there being no premium in the share price.* It all depends upon how the drilling programs go.

**Emerald Resources** (EMR:ASX) Price: 97¢ Mkt Cap: \$502m Debt: \$60m. Morgan Hart and his team have successfully delivered yet another gold mine, on time and under budget. They are amongst the best in the business. The 100,000 oz p.a. Okvau Gold Mine in Cambodia is just the start of the story. Expect growth at Okvau and other projects in the pipeline. The shares are on a cashflow multiple of only 5x right now with cash costs of US\$720/oz. *Expect stronger share price performance for some time yet.*

**enCore Energy** (EU:TSX.V) Price: C\$1.97 Mkt Cap: C\$393m Cash: C\$20m. enCore is focused on becoming the leading

ISR uranium producer in the USA, with two licensed processing plants in Texas, with combined nameplate capacity of 1.6 Mlbs of U<sub>3</sub>O<sub>8</sub>. Resources comprise 44 Mlb Indicated and 6 Mlb Inferred. This will increase to 90 Mlb with the Azarga Uranium merger, subject to a shareholders meeting on 16 November. Currently thinking of starting production in Texas in 2023, with additional production from Azarga and Wyoming in the two subsequent years. *Very well placed if we do indeed have a swing towards nuclear power, at least in the USA.*

**Endeavour Silver** (EDR:TO) Price: C\$6.47 Mkt Cap: C\$1.1bn Cash: C\$125m. Endeavour is a substantial silver miner from two mines in Mexico. Revenue split is 52% silver and 48% gold. Production guidance for 2021 is 7.7 Moz AgEq. The Guanacevi Mine provides 65% of the current production profile but the new mine, Terronera, will be a game changer. This US\$175m development project will double the company's production. The head grade will be 197 gpt Ag and 2.25 gpt Au. On spot prices the capex payback period is 2.5 years and AISC will be negative US\$1.51/oz, due to gold credits. *This is an institutional-sized silver growth company, the type of which we don't see in Australia.*

**Equity Metals Corp** (EQTY:TSX.V) Price: C\$0.12 Mkt Cap: C\$9.4m Cash: C\$0.8m. Equity Metals is an incredibly cheap, narrow vein high grade silver/gold company with the Silver Queen Project in BC, Canada. Published resources comprise 244,000 oz and 193,000 oz AuEq in Indicated and Inferred Resources, respectively, but these figures are more than two years old. Recently there was a 4,600m drilling program completed in September, and there is another 5,000m to go. The Camp vein has been returning bonanza grade intercepts such as 4.5m at 4,718 gpt AgEq, 7.7m at 1,047 Ag Eq and 5.7m at 1,349 gpt AgEq. There is considerable upside potential from extensions to the veins currently being drilled. *NB: Equity Metals is currently undertaking a placement. We are taking some stock*

More 121 companies next week.

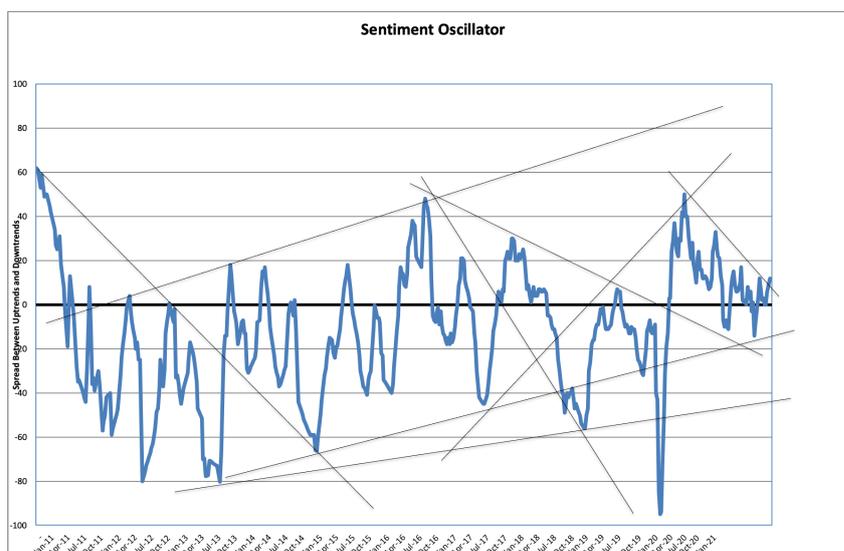
### *Burkina Faso stocks are heavily discounted*

Burkina Faso was one of the preferred West African gold destinations about 10 years ago due to the stability of the Presidency and the favourable geology, but it seems to be playing second fiddle to Cote d'Ivoire nowadays with the election of a weaker President and activity of Boko Haram in nearby Niger. Nevertheless, it is still technically a good country for gold explorers. The discount in the market of Burkina-based stocks seems to be at a maximum just now.

Last week I saw presentations from two companies, Arrow Minerals and Sarama Resources, that could provide good opportunities for the more risk-preferring investors. See the brief commentary on both of these companies elsewhere in this publication.

*We have added Global Energy Ventures (GEV) and Nova Minerals (NVA) to our chart coverage.*

**Sentiment Oscillator:** Sentiment improved over the week. There were 40% (37%) of the charts in uptrend and 28% (30%) 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	still in downtrend	
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, polymetallic
Alkane Resources	ALK	down	gold
Alicanto Minerals	AQI	higher	base metals, silver, gold
Altech Chemical	ATC	at highs	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	back into downtrend	potash
Australian Rare Earths	AR3	down	rare earths
Auteco Minerals	AUT	back to lows	gold exploration
Azure Minerals	AZS	breached downtrend	nickel exploration
BHP	BHP	still falling	diversified, iron ore
Beach Energy	BPT	hit resistance line	oil and gas

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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		new high	gold exploration
Buru Energy	BRU		rallying	oil
Calidus Resources	CAI		rising again	gold
Capricorn Metals	CMM		surge to new high	gold
Caravel Minerals	CVV		sideways	copper
Celsius Resources	CLA		breached downtrend	copper
Chalice Mining	CHN		testing uptrend again	nickel, copper, PGMs, gold exploration
Chase Mining	CML		breached downtrend	nickel/copper/PGE
Chesser Resources	CHZ		sideways	gold exploration
Cobalt Blue	COB		steep rise	cobalt
Cyprium Metals	CYM		continuing down	copper
Danakali	DNK		long term downtrend	potash
De Grey	DEG		shallow downtrend being tested	gold
Develop Global	VXR		rallying	zinc
E2 Metals	E2M		shallower downtrend	gold exploration
Ecograf	EGR		new downtrend	graphite
Element 25	E25		secondary 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		breaching downtrend	iron ore
FYI Resources	FYI		collapse out of uptrend	HPA
Galena Mining	G1A		still down	lead
Galilee Energy	GLL		down	oil and gas, CBM
Genesis Minerals	GMD		testing downtrend	gold
Genmin	GEN		back in downtrend	iron ore
Global Energy Ventures	GEV		strongly higher	hydrogen
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

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Jervois Mining	JVR		shallower uptrend	nickel/cobalt
Jindalee Resources	JRL		breached downtrend	lithium
Kairos Minerals	KAI		sideways	gold exploration
Kingston Resources	KSN		sideways	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		continuing higher	lithium
Lindian Resources	LIN		off from high	bauxite
Lithium Australia	LIT		heavy slump	lithium
Los Cerros	LCL		sideways through downtrend	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		testing downtrend with steep rise	gold exploration
Neometals	NMT		new high	lithium
Northern Minerals	NTU		rising	REE
Northern Star Res.	NST		down	gold
Nova Minerals	NVA		consolidating after steep rise	gold exploration
Oceana Gold	OGC		testing downtrend	gold
Oklo Resources	OKU		new uptrend	gold expl.
Orecorp	ORR		testing uptrend	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		consolidating	uranium
Poseidon Nickel	POS		breached uptrend	nickel

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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
Regergen	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		sideways	general exploration - Ni,Cu, Co, Au
South Harz Potash	SHP		surge higher	potash
Stanmore Coal	SMR		new high	coal
Strandline Resources	STA		sideways	mineral sands
Sunstone Metals	STM		surged higher	exploration
Talga Resources	TLG		breaching downtrend	graphite
Technology Metals	TMT		testing uptrend	vanadium
Tesoro Resources	TSO		new low	gold exploration
Theta Gold Mines	TGM		sideways to lower	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		down	coal
Wiluna Mining	WMC		gently higher	gold
Yandal Resources	YRL		breached uptrend	gold exploration
Zenith Minerals	ZNC		placement and downtrend	gold exploration
Zinc Mines of Ireland	ZMI		new uptrend	zinc
Totals	40%	58	Uptrend	
	28%	41	Downtrend	
		145	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.

<b>Weightings of Sectors Represented in the Company Charts</b>			
<b>Sector</b>	<b>No. of Companies</b>	<b>Weighting</b>	
Gold	30	20.7%	
Gold Exploration	27	18.6%	
Nickel	12	8.3%	
Copper	10	6.9%	
Lithium	7	4.8%	
Rare Earths	8	5.5%	
Oil/Gas	6	4.1%	
Iron Ore/Manganese	6	4.1%	
Zinc/Lead	5	3.4%	
Mineral Sands	4	2.8%	
Potash/Phosphate	5	3.4%	
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	7		
<b>Total</b>	<b>145</b>		

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