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# Weekly Commentary

The Mining Investment Experts

8 December 2018 Charts on Friday's Close Analyst : Warwick Grigor

# Peak Resources looking to be a winner from the EV boom

It is very difficult to escape from the conclusion that the Dow has peaked. It has been an incredibly lengthy bull market that owes much to QE, but times are changing. We saw the start of an extended topping pattern early in 2018, and as we approach the end of 2018, we should expect that the Dow will give up more ground in 2019. There will be pushing and pulling along the way that will provide opportunities to make trading profits, but don't be expecting anything better than falls followed by rallies. No record highs are on the agenda.

Does a weaker Dow mean our market will likewise be weak? I suggest not. Correlation with the Dow will wax and wane depending upon what the excuse is for larger movements in the Dow at any given event, but there is room for divergence between the two markets. Note that for much of the US bull market our Australian market was a significant under-performer. If the US economy does slow, and if the US\$ comes under pressure, our commodity based economy is going to do much better. The gold price will also do better (note last night's move). The New Year will be challenging, but it won't be without reward for the better stock pickers.

#### Lynas - the rare earths leader under pressure

Previously in 2011/12, we saw rare earth stocks boom not so much because they are rare (because they aren't), but because the supply is dominated by China and it has not been scared to use its market power. Speculators pushed up prices of many rare earth products by 5-10x. As usual, after every bubble, there is a collapse. Nevertheless, given the passage of time and the increasing emphasis on electric vehicles that rely heavily on magnets that use neodymium (Nd) and praseodymium (Pr), we should be reassessing investment opportunities in the sector.

The leading ASX-listed rare earth company is Lynas Corp. (LYC), with a market capitalisation of around \$1bn. Lynas mines ore at the high grade Mt Weld deposit in WA, delivering up to 66,000 tpa of concentrate containing 26,500 t of rare earth oxides (REO) to its advanced processing plant neat Kuatan in Malaysia.

It has been a long and difficult journey for Lynas, especially with regard to the Malaysian facility that has been constantly under threat from environmentalists. The latest news this week was that even though the operation was determined by a Review Committee to be low risk and compliant with applicable laws, the government has declared two new pre-conditions before the operating licence renewal will be granted. The first condition is that Water Leach Purification residue must be exported. The second concerns the disposal of NUF residue. Lynas is of the view that these conditions materially shift the goal posts

The Lynas share price fell by 22% on Wednesday as a result of this news. Whilst there will be pushback by Lynas, the continuing uncertainty is not helping the share price

and it will likely sideline buyers wanting to profit from the bullish outlook for neodymium and praseodymium. However, there is an alternative company that might fit the bill, though it is in the pre-development stage - Peak Resources.

## Peak - positioned to be the next rare earth player

Peak Resources (PEK) was recently doing the rounds to keep investors informed, as opposed to seeking further equity capital. As at 31 September it had \$5.1m in cash with estimated expenditure in the December quarter of \$1.3m. At the recent price of 2.8¢ it has a market capitalisation of \$22m.

While Peak is still in the pre-finance and development phase right now, it does have plans to produce 9,250 tp of rare earth oxides, which is approximately 50% of Lynas's current capacity.

Peak's REO exposure comes via a 75% holding in the Ngualla project in Tanzania, with a large Ore Resource of 214 Mt at 2.15% REO. Only 22% of this is considered in the calculation of an Ore Reserve of 18.5 Mt at 4.8% REO; 21.3% NdPr, confirmed by 38,800m of drilling in 649 holes on a 40 x 50m grid to a depth of 120m. The reserve is sufficient for a lengthy 26 year mine life.

Mill feed will be 711,000 tpa to produce rare earth concentrates of 32,700 p.a., which will be refined to oxide production of 2,810 tpa of NdPr 2N, 7,995 tpa of La, 3,475 tpa cerium and 625 tpa of SEG/HRE. More than 90% of the revenue will come from NdPr.

Peak completed a favourable BFS in April 2017, that confirmed Ngualla was one of the lowest cost REO projects on the drawing boards. Capital costs of US\$196m was calculated for development of the mine and construction of the processing plant in Tanzania, with a further US\$152m for the Tees Valley refinery in the UK. Other bits and pieces take the total capex estimate to US\$356m.

Unfortunately, not long after the release of the BFS, the Tanzanian Government threw a spanner in the works with a shifting of the goal posts in June 2017, on a number of fiscal matters, for all mining companies. We saw the share prices of all of the ASX-listed Tanzanian operators collapse at the time. The changes came about following a long standing disagreement between the Government and the large mining companies, Acacia and Barrick, but the repercussions went through the whole sector. The imposition of a 16% free carried interest to the Government, a 4% royalty and a 30% sales tax effectively meant the Government ends up with a 50% interest in the project profits. In the case of Peak, this obviously only applies to the in-country operations, not to the Teeside refinery.

Undeterred, Peak nevertheless lodged an application for a Special Mining Lease, encouraged by the NdPr prices jumping by over 100% in the preceding 12 months (it has

subsequently retreated). Since then it has been somewhat of a waiting game, though the September quarterly did report that the Mining Commission has recommended that the SML be approved.

While this waiting goes on there is still progress with the plans for the Teeside REO Separation Refinery in the UK. The Environmental Permit, which was the final regulatory hurdle, has been granted. This refinery, with the ability to produce saleable rare earth products in-house, will be what makes Peak stand out from other emerging REO companies. It will enable maximum pricing power for the company. Most other companies are just looking at selling concentrates. The location next to European markets will also benefit the company.

The UK permits are for the life of the plant so there won't be complications that come with renewals that have plagued Lynas. Also, Peak's material has very low levels of radiation.

Right now the price of NdPr, at US\$45-50/kg, is probably insufficient to enable project finance. It needs to be \$60/kg, but this is where an examination of the market becomes interesting.

The market demand for NdPr oxide is approximately 35-45,000 tpa, and it is expected to grow 50% by 2025. World capacity is currently 47,000 tpa, including the Lynas expansion; but could this now be in doubt?

The vast majority of demand comes from permanent magnets that are essential for electric vehicles. While China accounts for 80-90% of global NdPr supply, observers are saying that it will be become an importer by 2020, and its domestic resources of NdPr will be exhausted by 2025. It is hunting the globe for new supplies of concentrates. There is a squeeze coming and Peak will be perfectly positioned to benefit if it has its project up and running.

Companies that are selling concentrates are receiving about US\$2.50/kg (20% grade of NdPr). The price of oxides (which Peak will produce) jumps to more than US\$45/kg. Add another US\$10/kg for conversion to metal.

Peak commissioned a report by Michael Prassas in February 2018, that referred to neodymium and praseodymium as being "the biggest blind spot in the global commodity market". Virtually all electric vehicles will use a NdFeB permanent magnet motor. Wind turbines are also switching to this technology.

There are reasonable expectations that the NdPr price will move much higher (see the chart below). If so, it might be the right time to be buying Peak if you are comfortable with the financing, development and commissioning risks. There is the geopolitical risk as well, but when has that deterred

speculators? At least the management risk has been minimised through the appointment of Rocky Smith, who previously ran the largest rare earth refinery outside of China. We will keep a watching brief on Peak.

#### GEIC opening next week

I'm off to Manchester today for the official opening of the GEIC (Graphene Engineering & Innovation Centre) facility at the University of Manchester. While this will be a formal affair it is nonetheless very exciting for First Graphene to be a Tier One partner. The objective of GEIC is to bring scientists and industrial engineers together to accelerate the commercialisation of graphene.

There is a time limit on how long investors can be enthused by the promotion alone of the potential for graphene. The genuine proponents of graphene realise this. Hence, the motivation for GEIC and the objective of delivering commercial products. It is time that we progressed beyond the amazement and got stuck into profitable scale production for real industrial applications.

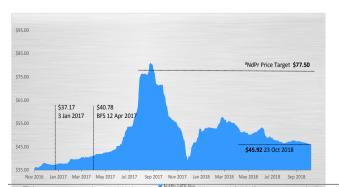
First Graphene is leading the charge here with the recent announcement of a 2,000 kg purchase order for its high quality PureGRAPH™ graphene for use in polymer liners for mining equipment. This is a world first. It is not a clever experiment to promote. It is a commercial sale - one of many that are expected in 2019. FGR's membership of GEIC is going to open a wide range of new opportunities, backed by the best scientists and equipment in the world. The growth curve is going to be very steep, for many years.

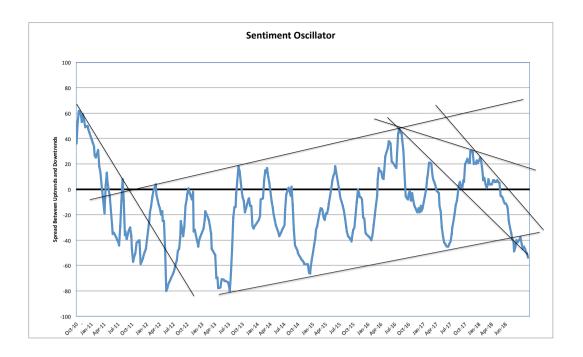
Disclosure: The author is a non-executive director of First Graphene and associated parties own shares. Capital raising fees have been earned.

#### This is probably the last Weekly for 2018

My absence next week means that it is unlikely that there will be another Weekly before Xmas. Given the state of the markets (special situations excluded), you are probably over it for 2018 anyway. I will resume the Weekly sometime in January, when I think there is something worthwhile discussing. Just keep in mind that the market could be ripe for a strong rally in January, as the bears frequently take longer holidays. Thin markets could increase volatility.

We have added Peak to the chart coverage, and deleted Anova due to that company having a bleak future following the failure of the Second Fortune Gold Mine initiative in WA.





**Sentiment Oscillator:** Sentiment weakened further over the week, with 13% (15%) of the charts in uptrend and 68% (65%) 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	still falling	
Metals and Mining	XMM	still falling	
Energy	XEJ	still falling	
Stocks	Code	Trend Comment (updated comments in bold)	Main Interest
Adriatic Resources	ADT	uptrend	zinc
Aeon Metals	AML	downtrend confirmed	copper + cobalt
Alacer Gold	AQG	testing downtrend	gold – production
Alkane Resources	ALK	sideways at lows	gold, zirconia
Acacia Resources	AJC	Sideways at the bottom	coal
Alchemy Resources	ALY	sideways	nickel, cobalt
Alicanto Minerals	AQI	back to lows	gold exploration
Allegiance Coal	AHQ	holding LT uptrend	coal
Alliance Resources	AGS	resting on support line	gold exploration
Altech Chemicals	ATC	down	industrial minerals - synthetic sapphire
Anova Metals	AWV	new low on poor production report	gold
Apollo Consolidated	AOP	holding support line	gold exploration
Archer Exploration	AXE	breach of support	magnesite, graphite
Argent Minerals	ARD	down	silver
Aurelia Metals	AMI	testing uptrend	gold + base metals
AusTin	ANW	rally	tin, cobalt

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Far East Capital Ltd - 8 Decem	ber 2018		Weekly Commentary
Australian Bauxite	ABX	gently higher	bauxite
Australian Potash	APC	testing downtrend	potash
Australian Mines	AUZ	down again	cobalt/nickel
Australian Vanadium	AVL	down heavily	vanadium
Bounty Coal	B2Y	down	coal
BHP	ВНР	testing downtrend	diversified
Base Resources	BSE	down	mineral sands
Bathurst Resources	BRL	slump	coal
Battery Minerals	BAT	sideways at lows	graphite
BBX Minerals	BBX	secondary downtrend	gold
Beach Energy	BPT	down	oil and gas
Beadell Resources	BDR	secondary downtrend	gold
Bellevue Gold	BGL	return to strong uptrend - placement	gold
Berkeley Energia	BKY	collapse - Spanish media	uranium
Blackstone Minerals	BSX	back to lows	gold, cobalt
Breaker Resources	BRB	breached uptrend	gold
Broken Hill Prospect.	BPL	down	minerals sands, cobalt
Buru Energy	BRU	down	oil
Cardinal Resources	CDV	breaching downtrend	gold exploration
Cassini Resources	CZI	stronger	nickel/Cu expl.
Celsius Resources	CLA	falling again	copper/cobalt
Chalice Gold	CHN	down	gold
Cobalt Blue	СОВ	free fall on study results	cobalt
Comet Resources	CRL	breached downtrend, but correction down	graphite
Crusader Resources	CAS	suspended	gold
Dacian Gold	DCN	continuing down	gold
Danakali	DNK	breached uptrend	potash
Davenport Resources	DAV	steep rise	potash
Doray Minerals	DRM	sideways - merger	gold
Eden Innovations	EDE	breached uptrend	carbon nanotubes in concrete
Egan Street Resources	EGA	new low	gold
Emerald Resource	EMR	broad downtrend	gold
Evolution Mining	EVN	higher	gold
Exore Resources	ERX	rising	gold exploration
FAR	FAR	crunched down on dud oil well	oil/gas
First Graphene	FGR	rising again	graphene
Frontier Diamonds	FDX	breached downtrend	diamonds
Fortescue Metals	FMG	rallied out of steepest, but still in LT downtrend	iron ore
Galaxy Resources	GXY	strong rally	lithium
Galilee Energy	GLL	turned down	oil and gas, CBM
Gascoyne Resources	GCY	collapse	gold
Gold Road	GOR	breached uptrend	gold exploration
Golden Rim	GMR	sideways	gold exploration
Graphex Mining	GPX	rally then retracement	graphite

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Lynas Corp.         LYC         crunched back to lows         rare earths           Macphersons Res.         MRP         still down         gold/silver           Mako Gold         MKG         down         gold           Marmota         MEU         sideways         gold exploration           MetalsX         MLX         down again         tin, nickel           Metro Mining         MMI         down         bauxite           Mincor Resources         MCR         sideways         gold           Myanmar Minerals         MYL         bg         zinc           MZI Resources         MZI         downtrend still         mineral sands           Nelson Resources         NES         slump back to lows         gold exploration           Neometals         NMT         down         lithium           Northern Cobalt         N27         down again         cobalt           Northern Minerals         NTU         new low         REE           Northern Minerals         NTU         new low         REE           NTM Gold         NTM         back into downtrend         gold           Oceana Gold         OGC         rising again         gold development           Orinoco Gold	Lithium Australia	LIT		continuing downtrend	lithium
Macpherson Res.         MRP         still down         gold/silver           Mako Gold         MKG         down         gold           Marmota         MEU         sideways         gold exploration           MetalsX         MLX         down again         tin, nickel           Metro Mining         MMI         down         bauxite           Mincor Resources         MCR         sideways         gold           Myanmar Minerals         MYL         bg         zinc           MZI Resources         MZI         downtrend still         mineral sands           Nelson Resources         NES         slump back to lows         gold exploration           Neometals         NMT         down again         cobalt           Northern Cobalt         N27         down again         cobalt           Northern Minerals         NTU         new low         REE           Northern Star Res.         NST         on support line         gold           NTM Gold         NTM         back into downtrend         gold development           Oceana Gold         OGC         rising again         gold development           Orincco Gold         OGX         down         gold development           Orincco G	Lucapa Diamond	LOM		continuing downtrend	diamonds
Mako Gold MKG down gold gold exploration  MetalsX MLX down again tin, nickel  Metro Mining MMI down bauxite  Mincor Resources MCR sideways gold  Myanmar Minerals MYL bg zinc  MZI downtrend still mineral sands  Nelson Resources NES slump back to lows gold exploration  Morthern Cobalt N27 down again tin, nickel  MIXI Resources MZI downtrend still mineral sands  Northern Star Res. NST down again cobalt  Northern Star Res. NST on support line gold  Northern Star Res. NST on support line gold  Cocana Gold OGC rising again gold  Ocana Gold OGC down  Orcoop ORR breached downtrend gold development  Orinoco Gold OGX down  Orcoope ORE strong rally lithium  Oz Minerals OZL new low copper  Pacific American Coal PAK down  Awntrend again gold  Ornickel Strong rally lithium  Ozuli new low copper	Lynas Corp.	LYC		crunched back to lows	rare earths
Marmota MEU sideways gold exploration  MetalsX MLX down again tin, nickel  Metro Mining MMI down bauxite  Mincor Resources MCR sideways gold  Myanmar Minerals MYL bg zinc  MZI downtrend still mineral sands  Nes slump back to lows gold exploration  Nemetals NMT down lithium  Northern Cobalt N27 down again cobalt  Northern Minerals NTU new low REE  Northern Minerals NTU new low REE  Northern Star Res. NST on support line gold  Oceana Gold OGC rising again gold  Oceana Gold OGC down  Orecorp ORR breached downtrend gold development  Orinoco Gold OGX down  Orinoco Gold OGX down  Orachinerals OZL new low copper  Pacific American Coal PAK down  Pantoro PNR down gold own  Owntrend again gold development  Ithium  Oceana Gold OGX down  Orachinerals OCAL new low copper  Adown coal  Oceana Gold OGX down  Orachinerals OCAL new low  Orachinerals OCAL new low  Oceana Gold OGX down  Orachinerals OCAL new low  Oceana Gold OGX down  Orachinerals OCAL new low  Oceana Gold OCAL new low  Oceana Gold OCAL new low  Oceana Gold OCAL new low  Orachinerals OCAL new low  Oceana Gold OCAL new low  Oceana Gold OCAL new low  Oceana Gold OCAL new low  Orachinerals OCAL new low  Oceana Gold development  Orinoco Gold OCAL new low  Oceana Gold OCAL new low  OCAL new low  OCAL new low  OCAL new low  OCAL n	Macphersons Res.	MRP		still down	gold/silver
MetalsX     MLX     down again     tin, nickel       Metro Mining     MMI     down     bauxite       Mincor Resources     MCR     sideways     gold       Myanmar Minerals     MYL     bg     zinc       MZI Resources     MZI     downtrend still     mineral sands       Nelson Resources     NES     slump back to lows     gold exploration       Nemetals     NMT     down     lithium       Northern Cobalt     N27     down again     cobalt       Northern Minerals     NTU     new low     REE       Northern Star Res.     NST     on support line     gold       Oceana Gold     NTM     back into downtrend     gold       Oceana Gold     OGC     rising again     gold       Oklo Resources     OKU     down     gold expl.       Orecorp     ORR     breached downtrend     gold development       Orinoco Gold     OGX     down     gold development       Orinoco Gold     OGX     down     copper       Oz Minerals     OZL     new low     copper       Pactific American Coal     PAK     down     gold       Pantoro     PNR     down     gold overtrend again     gold overtrend again	Mako Gold	MKG		down	gold
Metro Mining     MMI     down     bauxite       Mincor Resources     MCR     sideways     gold       Myanmar Minerals     MYL     bg     zinc       MZI Resources     MZI     downtrend still     mineral sands       Nelson Resources     NES     slump back to lows     gold exploration       Neometals     NMT     down     lithium       Northern Cobalt     N27     down again     cobalt       Northern Minerals     NTU     new low     REE       Northern Star Res.     NST     on support line     gold       NTM Gold     NTM     back into downtrend     gold       Oceana Gold     OGC     rising again     gold explored       Oklo Resources     OKU     down     gold development       Orccorp     ORR     breached downtrend     gold development       Orinoco Gold     OGX     down     gold development       Orccobre     ORE     strong rally     lithium       Oz Minerals     OZL     new low     copper       Pacific American Coal     PAK     down     gold       Pantoro     PNR     down     gold       Pantoro     PNR     down     gold owntrend       Oze American Coal     PAK     dow	Marmota	MEU		sideways	gold exploration
Mincor Resources  MCR Myanmar Minerals  MYL bg zinc  MZI Resources  MZI downtrend still mineral sands  Nelson Resources  NES slump back to lows gold exploration  Northern Cobalt Northern Minerals  NTU new low Northern Star Res. NST on support line North Gold NTM back into downtrend  Season Gold OGC rising again  Orecorp ORR breached downtrend Orinoco Gold OGX down  Orecord ORE strong rally  Ithium  gold  gold exploration  mineral sands gold exploration  mineral sands gold exploration  lithium  gold  Gobalt  Gobalt  Gobalt  Gobalt  Gold  NTM Down Down Down Down Down Down Down Down	MetalsX	MLX		down again	tin, nickel
Myanmar Minerals  MYL  bg  zinc  MZI Resources  MZI  downtrend still  Nelson Resources  NES  slump back to lows  gold exploration  lithium  Northern Cobalt  N27  down again  cobalt  Northern Minerals  NTU  new low  REE  Northern Star Res.  NST  on support line  back into downtrend  gold  Oceana Gold  OGC  rising again  Orecorp  ORR  breached downtrend  gold development  Orinoco Gold  OGX  down  Gold  OGC  orecorp  ORR  breached downtrend  gold development  orecorp  ORE  strong rally  lithium  coal  fishium  copper  coal  Pacific American Coal  PAK  down  down  down  gold development  coal  pantoro  PNR  down  down  gold  down  gold  gold  coal  down  gold  down  gold	Metro Mining	ММІ		down	bauxite
MZI Resources  MZI downtrend still mineral sands  Nelson Resources  NES slump back to lows gold exploration  Ithium  Northern Cobalt N27 down again Cobalt  Northern Minerals NTU new low REE  Northern Star Res. NST on support line Oceana Gold OGC rising again Oklo Resources OKU down Orecorp ORR breached downtrend Orinoco Gold OGX down Orocobre ORE strong rally  Panoramic Res ORU Odwn Own Own Own Own Own Own Own Own Own O	Mincor Resources	MCR		sideways	gold
Nelson Resources       NES       slump back to lows       gold exploration         Neometals       NMT       down       lithium         Northern Cobalt       N27       down again       cobalt         Northern Minerals       NTU       new low       REE         Northern Star Res.       NST       on support line       gold         NTM Gold       NTM       back into downtrend       gold         Oceana Gold       OGC       rising again       gold expl.         Oklo Resources       OKU       down       gold development         Orinoco Gold       OGX       down       gold development         Orinoco Gold       OGX       down       gold development         Orcobre       ORE       strong rally       lithium         Oz Minerals       OZL       new low       copper         Pacific American Coal       PAK       down       coal         Pantoro       PNR       down       gold         Panoramic Res       PAN       downtrend again       gold nickel	Myanmar Minerals	MYL		bg	zinc
Neometals  NMT  down  down  down  lithium  cobalt  Cobalt  Northern Cobalt  Northern Minerals  NTU  new low  new low  REE  Northern Star Res.  NST  on support line  gold  NTM Gold  NTM  back into downtrend  gold  Oceana Gold  OGC  rising again  gold  Oklo Resources  OKU  down  gold expl.  Orecorp  ORR  breached downtrend  gold development  Orinoco Gold  OGX  down  gold development  Orinoco Gold  OGX  down  gold development  ithium  copper  copper  Pacific American Coal  PAK  down  down  gold  down  gold  copper  copper  copper  pantoro  PNR  down  down  gold  pantoro  PNR  down  gold  gold  gold  gold  gold  gold  gold  nickel	MZI Resources	MZI		downtrend still	mineral sands
Northern Cobalt  Northern Minerals  NTU  new low  REE  Northern Star Res.  NST  on support line  on sold  on support line  on sold  on support line  on support	Nelson Resources	NES	:	slump back to lows	gold exploration
Northern Minerals  NTU  new low  new low  new low  REE  Northern Star Res.  NST  on support line  gold  NTM Gold  NTM back into downtrend  gold  Oceana Gold  OGC  rising again  Oklo Resources  OKU  down  gold development  Orinoco Gold  OGX  down  gold development  Orinoco Gold  OGX  down  Gozd down  Orocobre  ORE  strong rally  lithium  Oz Minerals  OZL  new low  copper  Pacific American Coal  PAK  down  down  gold development  copper  copper  coal  Pantoro  PNR  down  down  gold oven  coal  pantoro  PNR  down  gold oven  gold oven  coal  gold  gold oven  gold  coal  pantoro  poper  gold  gold oven  gold  gold oven  gold  gold  gold  gold  gold oven  gold  gold  gold oven  gold  gold oven  gold  pantoro  poper	Neometals	NMT		down	lithium
Northern Star Res.  NST on support line gold  NTM Gold NTM back into downtrend gold  Oceana Gold OGC rising again Oklo Resources OKU down gold expl.  Orecorp ORR breached downtrend gold development Orinoco Gold OGX down gold development Orocobre ORE strong rally lithium Oz Minerals OZL new low copper Pacific American Coal PAK down down down down gold Panoramic Res PAN downtrend again gold , nickel	Northern Cobalt	N27		down again	cobalt
NTM Gold NTM back into downtrend gold  Oceana Gold OGC rising again gold expl.  Oklo Resources OKU down gold expl.  Orecorp ORR breached downtrend gold development  Orinoco Gold OGX down gold development  Orocobre ORE strong rally lithium  Oz Minerals OZL new low copper  Pacific American Coal PAK down gold  Pantoro PNR down gold  Own gold development  Coal  Pantoro PNR down gold  Own gold  Ogold Gold  Ogold  Ogo	Northern Minerals	NTU		new low	REE
Oceana Gold OGC rising again gold Oklo Resources OKU down gold expl. Orecorp ORR breached downtrend gold development Orinoco Gold OGX down gold development Orocobre ORE strong rally lithium Oz Minerals OZL new low copper Pacific American Coal PAK down gold Pantoro PNR down gold Pantoro PAN down gold Owntrend again gold , nickel	Northern Star Res.	NST		on support line	gold
Oklo Resources OKU down gold expl. Orecorp ORR breached downtrend gold development Orinoco Gold OGX down gold development Orocobre ORE strong rally lithium Oz Minerals OZL new low copper Pacific American Coal PAK down gold Pantoro PAN down gold OCD gold gold inckel	NTM Gold	NTM		back into downtrend	gold
Orecorp ORR breached downtrend gold development Grinoco Gold OGX down gold development Grocobre ORE strong rally lithium Oz Minerals OZL new low copper Pacific American Coal PAK down gold Pantoro PNR down gold Gold Gold Gold Gold Gold Gold Gold G	Oceana Gold	OGC		rising again	gold
Orinoco Gold OGX down gold development  Ithium Oz Minerals OZL new low copper Pacific American Coal PAK down Coal Pantoro PNR down gold gold gold gold gold gold gold gold	Oklo Resources	OKU		down	gold expl.
Orocobre ORE strong rally lithium  Oz Minerals OZL new low copper  Pacific American Coal PAK down coal  Pantoro PNR down gold  Panoramic Res PAN downtrend again gold , nickel	Orecorp	ORR		breached downtrend	gold development
Oz Minerals     OZL     new low     copper       Pacific American Coal     PAK     down     coal       Pantoro     PNR     down     gold       Panoramic Res     PAN     downtrend again     gold , nickel	Orinoco Gold	OGX		down	gold development
Pacific American Coal PAK down coal  Pantoro PNR down gold  Panoramic Res PAN downtrend again gold , nickel	Orocobre	ORE		strong rally	lithium
Pantoro PNR down gold Panoramic Res PAN downtrend again gold , nickel	Oz Minerals	OZL		new low	copper
Panoramic Res PAN downtrend again gold , nickel	Pacific American Coal	PAK		down	coal
	Pantoro	PNR		down	gold
Peak Resources PEK down rare earths	Panoramic Res	PAN		downtrend again	gold , nickel
	Peak Resources	PEK		down	rare earths

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Peel Mining	PEX		breached downtrend on drill intercept	copper
Peninsula Energy	PEN		downtrend again	uranium
Perseus Mining	PRU		improving within a downtrend	gold
Pilbara Minerals	PLS		sideways through downtrend	lithium/tantalum
PNX Metals	PNX		lower	gold, silver, zinc
Polarex	PXX		still down	polymetallic
Prodigy Gold	PRX		down	gold exploration
Real Energy	RLE		rallying	gas
Red5	RED		strong breach of downtrend	gold
Red River Resources	RVR		down	zinc
Regis Resources	RRL		on support line	gold
Resolute Mining	RSG		testing downtrend	gold
RIO	RIO		down	diversified
Salt Lake Potash	SO4		re-entering downtrend	potash
Saracen Minerals	SAR		up	gold
St Barbara	SBM		up	gold
Sandfire Resources	SFR		new low	copper
Santana Minerals	SMI		new low	silver
Santos	STO		short term down	oil/gas
Sheffield Resources	SFX		down	mineral sands
St George Mining	SGQ		new uptrend failed	nickel
Sipa Resources	SRI		crunched down	general exploration - Ni,Cu, Co, Au
Stanmore Coal	SMR		new high	coal
Sundance Energy	SEA		downtrend again	oil/gas
Syrah Resources	SYR		new low	graphite
Talga Resources	TLG		down	graphite
Tanami Gold	TAM		slump	gold
Technology Metals	TMT		short term down	vanadium
Tiger Realm	TIG		down	coal
Triton Minerals	TON		down	graphite
Troy Resources	TRY		down	gold
Tyranna Resources	TYX		back in downtrend	gold exploration
Vango Mining	VAN		down	gold
Vector Resources	VEC		down again	gold
Venturex	VXR		testing downtrend	zinc
Vimy Resources	VMY		down	uranium
Volt Resources	VRC		sideways	graphite
West African Resources	WAF		down	gold
Westwits	WWI		down	gold
Western Areas	WSA		down	nickel
Whitehaven Coal	WHC		down	coal
Totals	13%	18	Uptrend	
	67%	96	Downtrend	

#### **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 untrend
- · 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	38	26.6%				
Gold Exploration	14	9.8%				
Graphite	9	6.3%				
Coal	8	5.6%				
Oil/Gas	8	5.6%				
Lithium	8	5.6%				
Copper	6	4.2%				
Mineral Sands	6	4.2%				
Nickel	7	4.9%				
Cobalt	5	3.5%				
Zinc	5	3.5%				
Potash/Phosphate	5	3.5%				
Silver	3	2.1%				
Tin	3	2.1%				
Uranium	3	2.1%				
Rare Earths	3	2.1%				
Bauxite	2	1.4%				
Diamonds	2	1.4%				
Iron Ore	1	0.7%				
Other	7					
Total	143					

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