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The Mining Investment Experts

# Weekly Commentary

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Chart comments *NOT* updated.

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## Nagambie reported very high grade gold/antimony intercepts

I'm currently in South Africa undertaking site visits for West Wits Mining (WWI) and Theta Gold Mines (TGM), two companies with multi-million ounce gold projects in the process of arranging financing for what promises to be long life operations with good profit margins. For some reason the markets have been reticent to embrace these companies notwithstanding their fundamental merit. It is curious how investors and bankers are prepared to chase projects in African countries that have much higher geopolitical risk than South Africa, ignoring the great infrastructure and workforce that is available. Too many investors don't understand the commercial significance of the infrastructure that has enabled South Africa to be one of the premier mining jurisdictions in the world, for many years. I'll write more on these companies when I get back home.

### *Nagambie announced high grade discovery*

NAG has been drilling beneath the old Perseverance pit at Nagambie for the last six months in its quest for high grade gold and stibnite veins similar to those being mined by Mandalay at the Costerfield Mine, 45 km to the west. Assays were slow in coming through as the assay laboratory was having issues with the exceptionally high stibnite grades that the veins have been demonstrating.

Finally, the Company was able to release these assays last week. An investor rang to say he thought the report was good but he has trouble deciphering it. So, I will simply restate what it said.

### *Promises to be a high profit margin mine*

The first point is that there are now eight intercepts within the C1 mineable cut-off grade zone that have delivered a weighted average antimony grade of 7.4% and a gold grade of 3 gpt, for a very high gold equivalent grade of 20.5 gpt. Given that the estimated mineable cut-off grade is 3 gpt AuEq, we can speculate that this is going to be a high profit margin mine when it gets going.

One of the tasks for the mining engineers from here is to determine what will be the best widths to mine given that there are a number of super high-grade, narrow intervals within broader, lower grade mineralisation. The minimum stoping width will be 1.2m, but there will be locations where this can be increased up to 5.9m to maximise the extraction of the minerals, based on the data available.

### *To start mining early with an exploration decline*

The Company is sufficiently confident about the mineralised vein system that it has declared that in the first half of 2023, it is planning to design an exploration decline and associated underground development to access the C1 mineralisation at around 100m vertical depth, and enable strike driving of the antimony-gold veins on multiple levels.

That will allow a quicker transition to mining than continuing to drill from surface.

### *Some truly impressive grades*

There is an over-abundance of detail regarding individual intervals in the tables, so it is worthwhile going to the words that summarise the eight mineable intercepts expressed as metres of estimated horizontal thickness (EHT) these, being;

NAD002	2.5m at 27.0 gpt AuEq from 109m
NAD008	1.2m at 10.4 gpt AuEq from 178.8m
NAD009	1.2m at 6.3 gpt AuEq from 172.1m
NAD009	4.7m at 14.2 gpt AuEq from 200m
NAD010	1.2m at 59.1 gpt AuEq from 159.7m
NAD010	1.2m at 7.3 gpt AuEq from 163.6m
NAD011	1.2m at 3.9 gpt AuEq from 214.3m
NAD011	2.25m at 31.4 gpt AuEq from 270.7m

There are some truly impressive grades here. The fact that some are more modest in grade is a reflection of the variability of the Costerfield Mine-style vein system. Remember that each intercept is a very small window on what is down there. The geological mining consultancy used to calculate a maiden resource will have to exercise its skills once enough data points have been gathered.

Drilling is continuing with NAD012 suggesting the presence of another, parallel vein system 200m to the west of the C1 veins. Extremely high grade stibnite veins have been identified but not yet assayed.

### *The Bottom Line*

This is a legitimate high grade discovery in keeping with the orebodies at Costerfield and Fosterville, though the antimony grades look as if they could be much higher (2-3x). That is noteworthy given the critical metal tag that antimony now carries and the reliance of the world on antimony from China, Russia and Tajikistan for 85% of supply. NAG has already received approaches from potential strategic buyers of antimony concentrates.

Nagambie can benchmark this project with the Costerfield mine that is producing at a rate of 150,000 tpa for 70,000 oz p.a. of gold equivalent production. That mine is already down to 600-700m depth while the Fosterville mine is down to 1,000m. Nagambie can expect the same, meaning a long life mine. This is a work in progress now, but the pathway to very profitable production appears quite predictable.

*Disclosure: Interests associated with the author own shares in Nagambie Resources and he is a director. Capital raising fees have been received.*

## Market action in Celsius

You will recall that I have been commenting on Celsius Resources over the past two years, noting that there is a disconnect between the market capitalisation and value of its copper projects in the Philippines. With the increased focus on copper by the media and market over the past fortnight, Celsius's credentials seems to be coming to the fore.

For an undisclosed reason the shares were maliciously marked down heavily earlier this month to hit a low of 0.9¢, but in the last three days the shares have dramatically recovered, on high turnover, to reach 1.6¢. Though, it wasn't just a case of action and reaction, or a sudden awakening to the value. The social licence announcement on the 15th November had something to do with it. As we have previously written, obtaining a social licence in the Philippines is critical to getting a mining operation started.

CLA announced the Memorandum of Agreement (MOA) between MMCI, the Balatoc ICC, and the National Commission on Indigenous Peoples (NCIP) was officially signed on 14 November 2022. This means the Balatoc Indigenous Cultural Community (ICC) has given its consent to allow the development and operations of the MCB Copper-Gold Project in the tenement area for 25 years, renewable for another 25 years. The details of the Agreement can be seen in the ASX release.

The next step for Celsius is to raise a decent lick of equity capital, also strengthening its share register at the same time. It needs to attract genuine investors rather than the traders that seem to have come along in recent, smaller placements. The image of the Company needs to be lifted as it continues along the path to achieving the mining approvals. At some point we will probably look back and wonder how the share price ever fell to these low levels.

*Disclosure: Interests associated with the author own shares in Celsius and has received capital raising fees.*

## Lindian & WA1 - carbonatite rare earth stocks

Lindian Resources (LIN) and WA1 Resources (WAI) are two carbonatite stocks that have performed very well in the market in recent months. Lindian ran from a low of 2.8¢ in May, to peak at 32.5¢ in October. WA1 ran from 13.5¢ a few weeks ago to close at \$2.28 on Friday. Respective market capitalisation today, after Lindian has come off a bit, are \$203m and \$100m. WA1 has just raised \$10m via a placement of 5 mill. shares at \$2.00 each.

WA1 set the market alight with news of the discovery of two carbonatites in the remote West Arunta region of WA, quoting them as niobium-REE systems with best intercepts of;

- 4m at 2.88% Nb<sub>2</sub>O<sub>5</sub>, 0.68% TREO<sub>2</sub>, 10.7% P<sub>2</sub>O<sub>5</sub> from 32m, within an interval of 28m at 0.92% Nb<sub>2</sub>O<sub>5</sub>, 0.30% TREO, 5.58% P<sub>2</sub>O<sub>5</sub> from 28m,
- and within a broader interval of 136m at 0.40% Nb<sub>2</sub>O<sub>5</sub>, 0.17% TREO, 3.90% P<sub>2</sub>O<sub>5</sub> from 28m.

Lindian's performance was based on the acquisition of the previously discovered, high-grade Kangankunde carbonatite in Malawi, for a total purchase price of US\$35m. It has just announced that the Phase 1 drilling program has commenced with two RC and one diamond core rigs on site. Five RC holes have been drilled and one diamond hole is being drilled now.

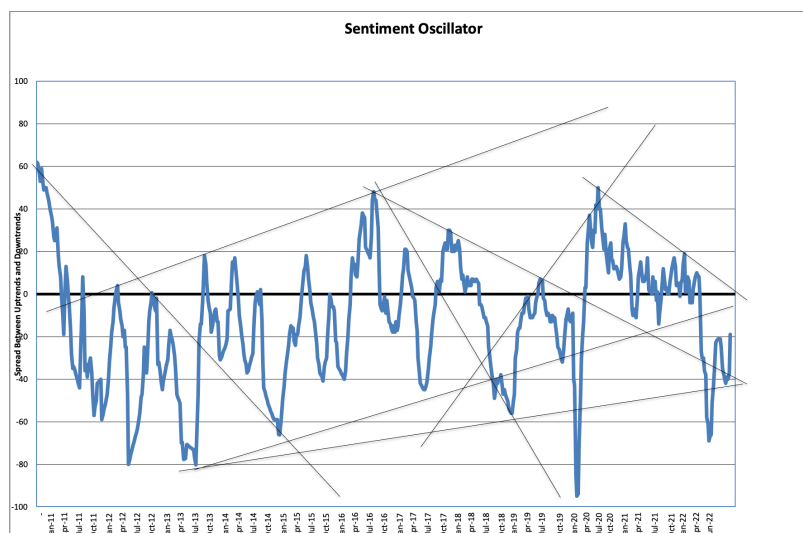
## Placing carbonatite discoveries in perspective

Without detracting from WA1's discovery, we need to place it within the context of the time it takes to advance projects like these beyond the initial, exciting discovery phase. Carbonatites are never simple. They take many years to assess technically, even before considering more commercial aspects such as logistics of development and marketing of products. The most famous carbonatite in Australia, Lynas's Mt Weld, was a known geological entity for many decades before development became a possibility. Kangankunde has been owned by a number of companies over the decades and been assessed by a succession of geological and metallurgical programs. Yet here we are now, many years later. It is being drilled with yet another program. Instant gratification is not commonly associated with carbonatite discoveries, though they can cause bursts of stock market activity when the stars were aligned.

## Multi-cycle projects

The rare earth aspects of carbonatites ensure that stocks involved in these geological features will be in the spotlight for the foreseeable future. There will be plenty of trading opportunities but don't make the mistake of assuming the good times will last forever. There is such a lengthy passage of time between the initial discovery and the commercialisation of such projects that you shouldn't be contemplating development in one market cycle, let alone two or three. Lindian is well-placed to progress to development in the near term, but WA1 is just at the start of the journey. Both stocks are in the right place at the right time.

*Disclosure: Interests associated with the author own shares in Lindian and has received capital raising fees.*



**Sentiment Oscillator:** There was a powerful improvement in sentiment over the week. There were 25% (16%) of the charts in uptrend and 44% (53%) in downtrend on Friday's close.

### Detailed Chart Comments

*NB. Only the bold comments have been updated. Comments in grey type are from previous weeks and will be less relevant. Please note that this list is a cross section of the market. It IS NOT a list of recommendations.*

Indices	Code	Trend Comment	
All Ordinaries	XAO	uptrend	
Metals and Mining	XMM	surged higher	
Energy	XEJ	new highs	
Information Technology	XIJ	higher	
Stocks	Code	Trend Comment (updated comments in bold)	Main Interest
92 Energy	92E	in wedge	uranium
A-Cap Energy	ACB	breached support	uranium
ADX Energy	ADX	sideways	oil and gas
Alpha HPA	A4N	breached downtrend, rising	HPA
Adriatic Resources	ADT	strongly higher	zinc, polymetallic
Advance Metals (was Pacific American)	AVM	down	coal, gold exploration
Alkane Resources	ALK	testing downtrend	gold
Alicanto Minerals	AQI	breached steepest downtrend	base metals, silver, gold
Altech Chemical	ATC	strongly higher	HPA, anodes
Anteotech	ADO	new low	silicon anodes, biotech
Alto Metals	AME	at resistance	gold exploration
American Rare Earths	ARR	down	rare earths
Antilles Gold	AAU	new low	gold
Arafura Resources	ARU	good bounce	rare earths
Ardea Resources	ARL	testing support	nickel

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Aurelia Metals	AMI		new low	gold + base metals
Australian Rare Earths	AR3		breached downtrend	rare earths
Auteco Minerals	AUT		breached steepest downtrend	gold exploration
Arizona Lithium	AZL		failed at resistance line	lithium
Azure Minerals	AZS		testing new uptrend	nickel exploration
BHP	BHP		sharply higher	diversified, iron ore
Barton Gold	BGD		testing downtrend	gold exploration
Beach Energy	BPT		uptrend breached	oil and gas
Bellevue Gold	BGL		rising	gold exploration
Benz Mining	BNZ		new uptrend commenced	gold
Black Cat Syndicate	BC8		down	gold
Blue Star Helium	BNL		sideways through downtrend	gas, helium
BMG Resources	BMG		down	gold exploration
Boab Metals	BML		failed at resistance line	silver/lead
Breaker Resources	BRB		stronger	gold exploration
Buru Energy	BRU		gently lower	oil
Calidus Resources	CAI		new low	gold
Capricorn Metals	CMM		strongly higher	gold
Caravel Minerals	CVV		at resistance	copper
Castile Resources	CST		down	gold/copper/cobalt
Celsius Resources	CLA		sideways at lows	copper
Chalice Mining	CHN		down	nickel, copper, PGMs, gold exploration
Chesser Resources	CHZ		new low	gold exploration
Cobalt Blue	COB		down again	cobalt
Cyprium Metals	CYM		testing steepest downtrend	copper
Dateline	DTR		at lows	rare earths
De Grey	DEG		good recovery	gold
E2 Metals	E2M		breached new uptrend	gold exploration
Ecograp	EGR		falling again	graphite
Element 25	E25		new uptrend commenced	manganese
Emerald Resources	EMR		trying to recapture uptrend	gold
Empire Energy	EEG		down	gas
Euro Manganese	EMN		down	manganese
Evolution Mining	EVN		strongly higher	gold
Firefinch	FFX		suspended	gold
First Graphene	FGR		risen to final resistance line	graphene
Fortescue Metals	FMG		testing downtrend	iron ore
FYI Resources	FYI		sideways through downtrend	HPA
Galena Mining	G1A		at final resistance	lead
Galilee Energy	GLL		sideways	oil and gas, CBM
Genesis Minerals	GMD		rising	gold
Genmin	GEN		rising	iron ore
Gold Road	GOR		strongly higher	gold
Great Boulder Resources	GBR		softer	gold exploration

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Hastings Technology Metals	HAS		risen to resistance line	rare earths
Hazer Group	HZR		sideways at lows	hydrogen
Heavy Minerals	HVY		still in downtrend	garnet
Highfield Resources	HFR		breached steepest downtrend	potash
Hillgrove Resources	HGO		testing downtrend	copper
Iluka Resources	ILU		still down	mineral sands
Image Resources	IMA		testing resistance line	mineral sands
ioneer (was Global Geoscience)	INR		testing resistance line	lithium
Ionic Rare Earths	IXR		hugging support line	rare earths
Jervois Mining	JVR		breached downtrend	nickel/cobalt
Kaiser Reef	KAU		recovering from lows	gold
Kallina Power	KPO		stronger	power station additive
Kingston Resources	KSN		at resistance	gold
Krakatoa Resources	KTA		rising	rare earths
Kingfisher Mining	KFM		stronger	rare earths
Kingwest Resources	KWR		recovering from lows	gold
Lepidico	LPD		new low	lithium
Lindian Resources	LIN		breached steep uptrend, ST down	bauxite
Lion One Metals	LLO		down	gold
Los Cerros	LCL		new low	gold exploration
Lotus Resources	LOT		sideways through downtrend	uranium
Lucapa Diamond	LOM		sideways at lows	diamonds
Lunnon Metals	LM8		trying to recover uptrend	nickel
Lynas Corp.	LYC		rising but still under resistance line	rare earths
Magnetic Resources	MAU		surge on REO news, then retracement	gold exploration
Mako Gold	MKG		down	gold exploration
Marmota	MEU		drifting lower	gold exploration
Matador Mining	MZZ		new low	gold exploration
Mayur Resources	MRL		stronger	renewables, cement
Meeka Gold	MEK		falling back towards support line	gold
Megado Gold	MEG		new low	rare earths, gold exploration
MetalsX	MLX		sideways through downtrend	tin, nickel
Metro Mining	MMI		still down	bauxite
Mincor Resources	MCR		down	gold/nickel
Mithril Resources	MTH		down	gold/silver
Musgrave Minerals	MGV		still falling, gently	gold exploration
Nagambie Resources	NAG		stronger	gold, antimony
Neometals	NMT		rising	lithium
Northern Star Res.	NST		strong rise	gold
Nova Minerals	NVA		rising towards secondary resistance	gold exploration
OreCorp	ORR		at lows	gold development
Oz Minerals	OZL		off its highs	copper
Pacific Gold	PGO		bounced to meet resistance line	gold exploration
Pantoro	PNR		new low	gold

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Panoramic Res	PAN		down	nickel
Peak Resources	PEK		rising	rare earths
Peninsula Energy	PEN		sideways	uranium
Poseidon Nickel	POS		still down	nickel
Perseus Mining	PRU		steeply higher	gold
Provaris Energy	PV1		just holding uptrend	hydrogen
PVW Resources	PVW		down	rare earths
QMiners	QML		breached downtrend	copper
Queensland Pacific Metals	QPM		sideways	nickel/cobalt/HPA
Red River Resources	RVR		suspended	zinc
Regis Resources	RRL		breached downtrend	gold
Reergen	RLT		down	gas, helium
Resource Mining Corp.	RMI		sideways	nickel exploration
RIO	RIO		higher	diversified, iron ore
Rumble Resources	RTR		secondary downtrend	gold exploration
S2 Resources	S2R		sideways	gold exploration
St Barbara	SBM		bouncing	gold
Sandfire Resources	SFR		breaching resistance line	copper
Santos	STO		breached trend line support	oil/gas
Sarama Resources	SRR		down	gold exploration
Silex Systems	SLX		testing downtrend	uranium enrichment technology
South Harz Potash	SHP		still in downtrend	potash
Southern Cross Gold	SXG		strongly higher	gold exploration
Stanmore Coal	SMR		surge higher	coal
Strandline Resources	STA		breaching uptrend	mineral sands
Sunstone Metals	STM		downtrend	exploration
Suvo Strategic Minerals	SUV		falling	kaolin
Talga Resources	TLG		testing steepest downtrend	graphite
Tamboran Resources	TBN		breached downtrend	gas
Technology Metals	TMT		down	vanadium
Theta Gold Mines	TGM		strong rise from lows - at resistance	gold
Thor Mining	THR		sideways through downtrend	gold exploration
Tietto Minerals	TIE		rising	gold
Vanadium Resources	VR8		testing downtrend	vanadium
Venture Minerals	VMS		bouncing	tin, tungsten
West African Resources	WAF		down	gold
Westgold Resources	WGX		breaching downtrend	gold
West Wits Mining	WWI		new low	gold
Whitehaven Coal	WHC		down	coal
Zenith Minerals	ZNC		breached steepest downtrend	gold exploration
Totals	25%	36	Uptrend	
	44%	62	Downtrend	
		142	Total	



### Guides to Chart Interpretations

- Charts usually go pass from one trend (up or down) into the other via a period of indecision and uncertainty during which the trend can either recover or change. This period is signified by the orange colour. The orange represent both the greatest risk and greatest reward possibilities.
- Once a chart is in confirmed up or downtrends it is not uncommon for 10-20% of that trend to have already transpired.
- There are trends within trends. The focus of this chart review is the immediate trend that affects the sentiment i.e. it can be a downtrend within a long-term uptrend.
- Not every chart warrants a new comment every week. The new comments are in bold type. Grey type comments may be dated.
- Individual charts provide a single view. It is valuable to look at charts of other companies in similar commodities, and the overall sentiment is also very valuable. Not many stocks can swim against the tide.
- We periodically add or delete charts, some times for obscure reasons. If a chart consistent gives poor signals or is very erratic, we may delete it. Sometimes we add a chart because we want to see what all the fuss is about. We do have a preference for charting stocks that we cover in our research as well.
- Errors and omissions may occur from time to time, especially in fast moving markets.

Amber Lights in Tables: Just a reminder if when the amber light is used in the table – it is when the charts are ambiguous or when there is a change of trend taking place. If a chart is breaching a downtrend it can either be a positive sign or a trap. Only once it has done more work can it be confirmed as a new uptrend. Maybe it is a new uptrend (or conversely a new downtrend); the risk takers can decide to jump on board early (or sell). They will maximise their profits (or minimise their losses if indeed it is the start of the new uptrend (downtrend). More risk-averse investors should wait a little longer, being prepared to give up some of the gains in return for greater certainty.

Weightings of Sectors Represented in the Company Charts			
Sector	No. of Companies	Weighting	
Gold	32	22.5%	
Gold Exploration	23	16.2%	
Rare Earths	12	8.5%	
Oil/Gas	11	7.7%	
Nickel	8	5.6%	
Copper	8	5.6%	
Iron Ore/Manganese	6	4.2%	
Uranium	5	3.5%	
Zinc/Lead	4	2.8%	
Lithium	4	2.8%	
Graphite/graphene	3	2.1%	
Coal	3	2.1%	
Mineral Sands	3	2.1%	
Potash/Phosphate	2	1.4%	
Silver	2	1.4%	
Bauxite	2	1.4%	
Vanadium	2	1.4%	
Cobalt	1	0.7%	
Tin	2	1.4%	
Diamonds	1	0.7%	

Other	8		
Total	142		

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