

## A slight tick up in sentiment

Many of the charts are losing downwards momentum, with falls giving way to more lateral movements. This might be the start of a quieter sideways period due to lack of interest, or it might just be a pause because the recent bout of selling has been exhausted - for the time being. Optimists might see it as a turning point but it is too early to know.

As strange as it may be to suggest it, the falls over the last 6-9 months should not be seen as game changing. Yes, they have been painful, but it is more a case of money being deployed elsewhere rather than fundamental problems. The game is not over; it is just an extended recess. We are waiting for a reason to be buying again, rather than buying just because share prices are weak. This bear market in mining stocks just like a drought. We know it will end, but we just don't know when.

There are plenty of good stories out there, in what should be seen as a buyers market, but only the brave are buying. From my own perspective I am happy to accumulate shares in stocks that are clearly oversold. I don't know when they will turn around, but in the meantime I'm buying at the right price.

### *An example of strategy at the bottom end*

One company which will remain anonymous for obvious reasons, is capitalised at about \$3.5m with \$2m in the bank as at 30/6/18. Its exploration programs have been unsuccessful - at least the grades have disappointed the market. It has good management and good geologists, so I expect they will farm out the existing projects and pick up new ones with more exciting potential. Depending upon what they are, and how much enthusiasm they can generate in the market, the share price could easily jump from circa 3¢ to 10¢ plus. Yes, it is a bit of a gamble, but that is how you have to play the penny dreadful end. Getting in cheaper than everyone else is a good start, and then you just have to be patient. It is as basic as A, B and C.

Even though I am suggesting reasons why I am buying this stock, the reality is that whatever you purchase today will be worth much more in 6-12 months time. Though once again, there are no guarantees; just an opportunity to have a punt.

### *Santana Minerals reports mixed gold results*

Recall that Santana (SMI) was previously focused on a Mexican silver play that demonstrated potential to host 100 Moz of silver at 80-100 gpt Ag. Despite a few drill programs that confirmed this potential, the share price suffered due to a lack of market interest in silver. Rather than flog a dead horse, SMI shifted its focus to gold, identifying a high grade quartz vein project in Chile. It has just reported results from its first 10 hole program.

Three of the 10 holes were duds. The first six holes were designed to test quartz veins mapped and trenched at surface, at depths of 60-75m. However, there seems to have been some displacement of the targeted veins, whilst minor mineralisation was found in other locations down hole. This was the wildcat part of the program.

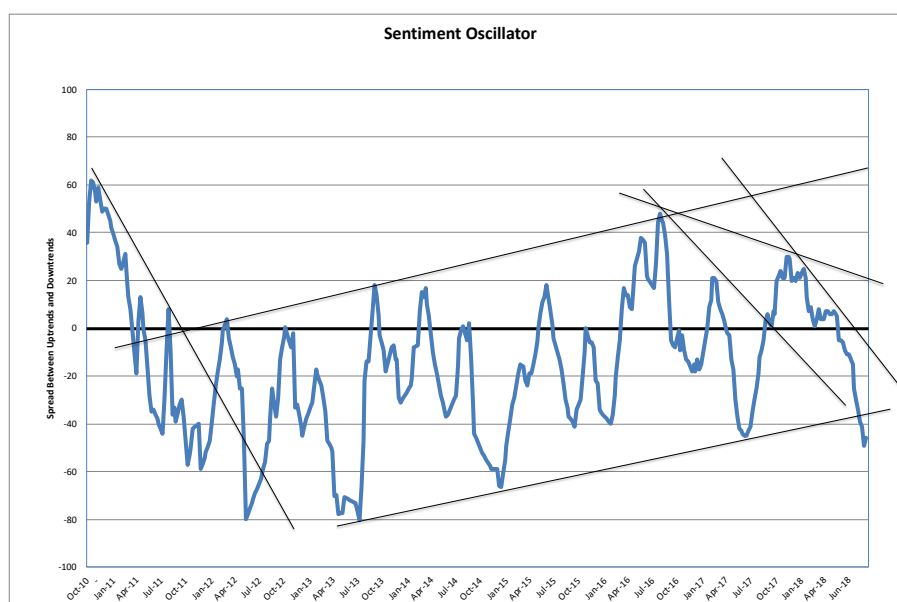
Fortunately the final four holes delivered much better results, with these testing the previously identified main vein. The best intercept was 12m at 8.1 gpt from 9m down hole. Next best was 16m at 3.5 gpt from 25m. The remaining two were 7m at 2.8 gpt and 1m at 2.6 gpt.

So, there is gold there but as is usually the case, the geologists need to go off and interpret what these results mean. It is still a very small sample size so it is difficult to draw conclusions, except to say there are not yet easy bonanzas to excite shareholders. Watch and wait.

*Disclosure: Interested associated with the author own shares in Santana Minerals and have received capital raising fees.*

*We have added Jindalee Resources (JRL) to the chart coverage.*

**Sentiment Indicator:** There was a slight improvement in sentiment over the week, with 14% (12%) of the charts in uptrend and 60% (61%) 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	downward break from a rising wedge	
Metals and Mining	XMM	back to downtrend	
Energy	XEJ	breached steepest uptrend	
Stocks	Code	Trend Comment (updated comments in bold)	Main Interest
Adriatic Resources	ADT	down now	zinc
Aeon Metals	AML	sideways	copper + cobalt
Alacer Gold	AQG	heavy fall	gold – production
Alkane Resources	ALK	breached long term support line	gold, zirconia
Acacia Resources	AJC	Sideways at the bottom	coal
Alchemy Resources	ALY	base forming	nickel, cobalt
Alicanto Minerals	AQI	down	gold exploration
Allegiance Coal	AHQ	holding LT uptrend	coal
Alliance Resources	AGS	breached steepest downtrend	gold exploration
Altech Chemicals	ATC	breached support line	industrial minerals - synthetic sapphire
Anova Metals	AWV	new low on poor production report	gold
Apollo Consolidated	AOP	rallying	gold exploration
Archer Exploration	AXE	breach of support	magnesite, graphite
Argent Minerals	ARD	down	silver
Aurelia Metals	AMI	beneath support, testing uptrend	gold + base metals
AusTin	ANW	good rise	tin, cobalt
Australian Bauxite	ABX	surged through downtrend	bauxite
Australian Potash	APC	testing downtrend	potash
Australian Mines	AUZ	down	cobalt/nickel
Australian Vanadium	AVL	testing support levels	vanadium

































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Bounty Coal	B2Y		rallying	coal
BHP	BHP		down again	diversified
Base Resources	BSE		sideways, but softer last week	mineral sands
Bathurst Resources	BRL		slump	coal
Battery Minerals	BAT		sideways at lows	graphite
BBX Minerals	BBX		down	gold
Beach Energy	BPT		near highs	oil and gas
Beadell Resources	BDR		another new low	gold
Bellevue Gold	BGL		testing downtrend	gold
Berkeley Energia	BKY		breached downtrend, but pullback	uranium
Blackstone Minerals	BSX		<b>new low</b>	gold, cobalt
Breaker Resources	BRB		<b>breaching downtrend</b>	gold
Broken Hill Prospect.	BPL		down	minerals sands, cobalt
Buru Energy	BRU		slump	oil
Cardinal Resources	CDV		testing uptrend, down	gold exploration
Cassini Resources	CZI		<b>gentle downtrend</b>	nickel/Cu expl.
Celsius Resources	CLA		back in downtrend	copper/cobalt
Chalice Gold	CHN		sideways	gold
Cobalt Blue	COB		free fall on study results	cobalt
Comet Resources	CRL		new low	graphite
Crusader Resources	CAS		spike out of downtrend then pullback	gold
Dacian Gold	DCN		down heavily	gold
Danakali	DNK		breached uptrend	potash
Doray Minerals	DRM		breached uptrend	gold
Eden Innovations	EDE		down	carbon nanotubes in concrete
Egan Street Resources	EGA		new low	gold
Emerald Resource	EMR		breaching ST uptrend	gold
Evolution Mining	EVN		breaching downtrend	gold
Excelsior Gold	EXG		<b>testing steepest downtrend</b>	gold
FAR	FAR		sideways break through uptrend	oil/gas
First Graphene	FGR		holding uptrend	graphene
Frontier Diamonds	FDX		new low	diamonds
Fortescue Metals	FMG		rallied out of steepest, but still in LT downtrend	iron ore
Galaxy Resources	GXY		longer term downtrend confirmed	lithium
Galilee Energy	GLL		<b>new high, but might be topping</b>	oil and gas, CBM
Gascoyne Resources	GCY		down	gold
Global Geoscience	GSC		testing downtrend	lithium
Gold Road	GOR		breached uptrend	gold exploration
Golden Rim	GMR		new low	gold exploration
Graphex Mining	GPX		new low	graphite
Heron Resources	HRR		downtrend persisting	zinc
Highfield Resources	HFR		down again	potash
Highlands Pacific	HIG		breached uptrend	nickel, cobalt
Hillgrove Resources	HGO		sideways	copper

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Hipo Resources	HIP		down	battery metals
Iluka Resources	ILU		crunched down	mineral sands
Image Resources	IMA		resumed LT uptrend	mineral sands
Independence Group	IGO		breached support line	gold, nickel
Jervois Mining	JVR		strong bounce	nickel/cobalt
Jindalee Resources	JRL		rising wedge	lithium
Karoo Gas	KAR		new low	gas
Kasbah Resources	KAS		still in downtrend	tin
Kibaran Resources	KNL		breaking higher	graphite
Kin Mining	KIN		trying to form a base	gold
Legend Mining	LEG		but heavy correction	exploration
Lepidico	LPD		continuing down	lithium
Lithium Australia	LIT		testing downtrend	lithium
Lucapa Diamond	LOM		breached downtrend	diamonds
Lynas Corp.	LYC		down	rare earths
Macphersons Res.	MRP		rallying	gold/silver
Mako Gold	MKG		good rally	gold
Marmota	MEU		sideways	gold exploration
MetalsX	MLX		down again	tin, nickel
Metro Mining	MMI		breaching support	bauxite
Mincor Resources	MCR		breached uptrend	gold
Myanmar Minerals	MYL		starting down again	zinc
MZI Resources	MZI		bounced off low	mineral sands
Neometals	NMT		down	lithium
Northern Cobalt	N27		down again	cobalt
Northern Minerals	NTU		sideways	REE
Northern Star Res.	NST		still strong	gold
NTM Gold	NTM		continuing 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
Orocobre	ORE		secondary downtrend	lithium
Oz Minerals	OZL		down	copper
Pacific American Coal	PAK		breached uptrend	coal
Pantoro	PNR		down	gold
Panoramic Res	PAN		down	gold , nickel
Peel Mining	PEX		downtrend confirmed	copper
Peninsula Energy	PEN		risen to resistance line	uranium
Perseus Mining	PRU		breaching uptrend	gold
Pilbara Minerals	PLS		down	lithium/tantalum
PNX Metals	PNX		lower	gold, silver, zinc
Polarex	PXX		still down	polymetallic
Prodigy Gold	PRX		down	gold exploration

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Red5	RED		down	gold
Red River Resources	RVR		down	zinc
Regis Resources	RRL		down	gold
Resolute Mining	RSG		testing downtrend	gold
RIO	RIO		down	diversified
Salt Lake Potash	SO4		re-entering downtrend	potash
Saracen Minerals	SAR		down	gold
St Barbara	SBM		breached uptrend	gold
Sandfire Resources	SFR		down	copper
Santana Minerals	SMI		new low	silver
Santos	STO		back to highs	oil/gas
Sheffield Resources	SFX		rising again	mineral sands
Sipa Resources	SRI		sideways	general exploration - Ni,Cu, Co, Au
Stanmore Coal	SMR		new high	coal
Sundance Energy	SEA		still in downtrend	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		correcting	gold
Vector Resources	VEC		spiked higher, breaching downtrend	gold
Venturex	VXR		gently lower	zinc
Vimy Resources	VMY		testing downtrend	uranium
Volt Resources	VRC		down	graphite
West African Resources	WAF		breached downtrend, but then a slump	gold
Westwits	WWI		down	gold
Western Areas	WSA		down	nickel
Whitehaven Coal	WHC		softer	coal
Totals	14%	19	Uptrend	
	60%	84	Downtrend	
		139	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	40	28.8%	
Gold Exploration	12	8.6%	
Graphite	9	6.5%	
Coal	8	5.8%	
Oil/Gas	7	5.0%	
Lithium	8	5.8%	
Copper	6	4.3%	
Mineral Sands	6	4.3%	
Nickel	6	4.3%	
Cobalt	5	3.6%	
Zinc	5	3.6%	
Potash/Phosphate	4	2.9%	
Silver	3	2.2%	
Tin	3	2.2%	
Uranium	3	2.2%	
Rare Earths	2	1.4%	
Bauxite	2	1.4%	
Diamonds	2	1.4%	
Iron Ore	1	0.7%	
Other	7		
Total	139		

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