

BREAKAWAY MINING WEEKLY

Recommendations/ Deals/ Listings/ Resource Updates/ Drilling Results; Drilling Underway/ Production/ Existing Projects/ Existing Projects in the Resources Sector

Table Of Contents

weekly Overview.....	1
Monthly Commodity Price Movements.....	3
Monthly Commodity Price And Index Movements	4
Breakaway Research Portfolios – Ideas For Investors	5
Breakaway Lower Risk Portfolio	6
Breakaway <i>Low Risk Portfolio</i> Update	7
Breakaway Speculative Portfolio.....	8
Breakaway Speculative Portfolio Update	9
Hypothetical Performance	9
Breakaway Watch List Recommendations.....	10
Watchlist Portfolio Update	11
The Mother Of All Disruptions	11
Breakaway Research	15
Austex Mining Pty Ltd	15
Important Disclosure/Disclaimer	16

WEEKLY OVERVIEW

The Dow Jones Industrial Average and other US indices have continued to move higher with the dominant driver being the FAANGS (Facebook, Apple, Amazon, Netflix, Google/Alphabet). This has been on the back of real revenue and earnings growth in these companies and accumulation of significant cash balances. Indeed if you back out the performance of these companies in the major US indices, these indices and the market in general have gone nowhere.

The domination of these companies also demonstrates the unique characteristics of internet stocks – often capital and operating requirements are quite low and therefore increased revenue tends to flow directly to the bottom line. Elsewhere, Apple continues to innovate and all companies are heavily investing in the IT technology race.

Figure 1 charts the relative performance of the FAANGs along with the Dow Jones and the US S&P 500 indices, all indexed to 100 in early August 2016. While the indices have exhibited strong performance over the last 12 months, this performance is dwarfed by the performance of the FAANGs which have, as mentioned, been largely responsible for dragging up the performance of these indices.

As noted in Figure 1, Netflix has been the start performer, albeit it off a lower base while Apple has been the second strongest performance.

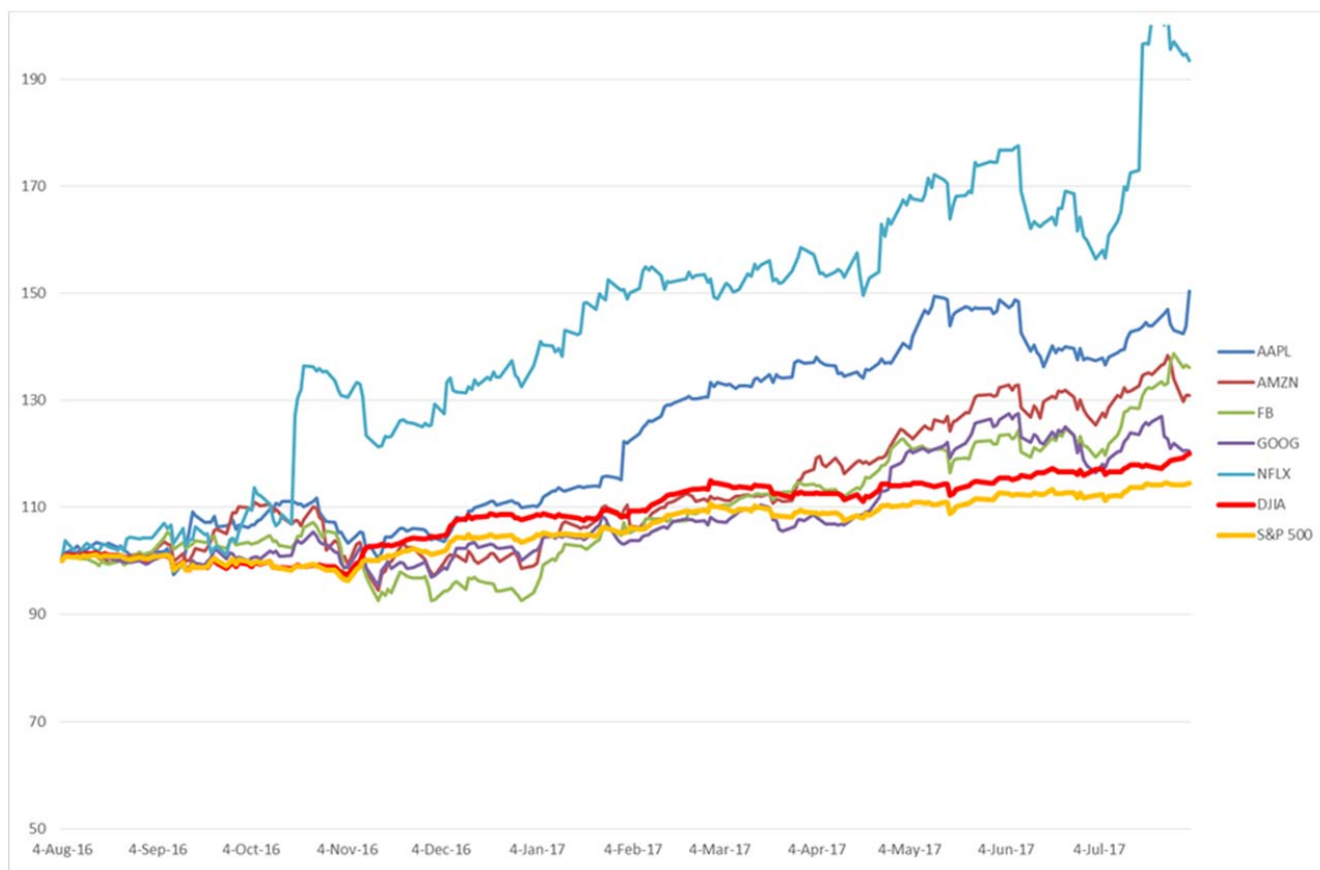


Figure 1. Relative performance of the FAANGs (Source: BR, Yahoo Finance).

Apple shares have gained 50% over the past 12 months and with its market capitalisation above US \$770 billion, it is the world's largest publicly traded company. It has just released earnings per share at US \$1.67 in its third quarter which came in higher than expectations at US \$1.57 per share. Revenue was reported at US \$45.4 billion exceeding market estimates at US \$44.95 billion. iPhone sales for the quarter were in line with expectations at 41 million.

This better than expected performance pushed Apple shares 5% higher, which itself adds 54 points to the Dow Jones Industrial Average.

Lastly the cash generation is strong, pushing Apple's cash reserves to a phenomenal US \$261 billion in the third quarter.

As demonstrated by Apple, the cash generation of these companies is incredible and providing leading technology, whether it is in iphones, movie availability, shopping or social media, it is part of everyday 'millennial generation' society,

Stepping away from technology, it is evident the US economy is not as strong as market envisaged earlier this year and the risk of faster than expected interest rate increases by the Federal Reserve is now off the table. This has taken pressure off the US

dollar which has flowed through to a higher gold price. Stronger Chinese economic data has also supported other commodities and this is in line with our expectations that commodity prices will improve over coming months.

In China general business activity picked up to a four-month high in July led by strong growth momentum in manufacturing production as evident with Caixin/Markit PMI data. The Caixin China manufacturing PMI for July came in at the four-month high of 51.1, and exceeded market expectations which averaged 50.4

MONTHLY COMMODITY PRICE MOVEMENTS

During July there has been some noticeable movements in commodity prices as outlined in Figure 2 as investors will recall the softness at the end of the financial year.

In precious metals, gold increased by 2.3% over the month despite falling to US\$216/oz earlier in the month. Palladium was also up 5% over the month.

Significant movements in base metals included some recovery in the nickel price which has been in the doldrums for some months. The threat to the nickel price has stemmed from both Philippine and Indonesian exports. It is estimated that the Philippines will supply around 400kt recoverable nickel this year and this equates to 20% of world supply. However the medium term risk is the potential supply increase from a surge in ore exports from Indonesia, following the relaxation of its nickel ore export ban.

Copper also improved over the month with improving economic data out of China which also impacted the bulk commodities – iron ore, thermal and metallurgical coal. The oil price also increased and a large driver of all these commodity price increases was the changing perceptions in the rate of US growth/US interest rate increases which shifted to a more subdued outlook while Chinese economic data surprised on the upside.

MONTHLY COMMODITY PRICE AND INDEX MOVEMENTS

Commodity Prices		Price/Level (today)	Price/Level at 30 th June 2017	Change
Precious Metal Prices				
Gold	(US\$/oz)	1268	1240	2.3%
Silver	(US\$/oz)	16.47	16.60	-0.8%
Platinum	(US\$/oz)	956	921	3.8%
Palladium	(US\$/oz)	891	848	5.1%
Base Metal Prices				
Copper	(USc/lb)	2.87	2.70	6.4%
Lead	(USc/lb)	1.06	1.04	2.1%
Zinc	(USc/lb)	1.26	1.25	1.0%
Nickel	(USc/lb)	4.69	4.20	11.7%
Aluminium	(USc/lb)	0.86	0.87	-1.1%
Tin	(USc/lb)	9.42	9.08	3.7%
Minor Metals				
Cobalt	(USc/lb)	26.31	27.10	-2.9%
Lithium	(USc/lb)	1.18	1.09	8.6%
Molybdenum	(USc/lb)	7.10	7.14	-0.7%
Tungsten (APT Europe)	(US\$/t)	230	212	8.5%
Energy				
Oil WTI	(US\$/bbl)	49.30	46.31	6.4%
Thermal coal	(US\$/t)	86.15	76.70	12.3%
Uranium	(US\$/lb)	20.25	20.50	-1.2%
Steel				
Metallurgical coal	(US\$/t)	182.10	149.80	21.6%
Iron ore	(US\$/t)	72.53	56.01	29.5%
Market Movements				
Mining and Energy Indices				
S&P/ASX 200 Resources		3452.40	3290.30	4.9%
S&P/ASX 300 Metals & Mining		3070.00	2897.30	6.0%
S&P/ASX 200 Energy		8754.10	8711.90	0.5%
S&P/ASX All-Ordinaries Gold		4280.00	4346.40	-1.5%
Global Mining				
S&P/TSX Global Mining		65.90	62.18	6.0%
AIM Basic Resources		2502	2451	2.1%
Commodity Indices				
CRB Index		184.03	176.55	4.2%
LME Index		2967.00	2853.40	4.0%
S&P GSCI		2239.53	2168.72	3.3%
Baltic Dry		1023.00	901.00	13.5%
Exchange Rates				
AUD/USD		0.794	0.766	3.7%
EUR/USD		1.187	1.076	10.3%
USD/ZAR		13.40	13.03	2.8%

BREAKAWAY RESEARCH PORTFOLIOS – IDEAS FOR INVESTORS

Breakaway Research maintains two portfolios and a watch list outlined in the following tables. They are designed to provide ideas to investors where Breakaway Research considers there are opportunities to outperform the resource sector indices over the medium term. However the portfolios are presented as 'general advice' only and do not consider the financial or otherwise circumstances of the investor and of course, investment in the resource sector is often speculative in nature given the multiple variables which drive the share prices.

BREAKAWAY LOWER RISK PORTFOLIO

The *Lower Risk Portfolio* list stocks which Breakaway Research assesses as generally large enough to have a number of producing operations, have market capitalisations that is generally in excess of \$500m and a more resilient balance sheet in comparison to companies in the other portfolios. Breakaway Research considers that the companies listed in the portfolio have the right exposure to the current momentum in the sector and/or are likely to surprise on the upside.

Company	ASX Code	Share Price (as at 3 rd August)	Market Capitalisation (\$M)	Main Commodity Exposures	Rationale
Cooper Energy	COE	0.33	382	gas/oil	Attractive gas play in Eastern Australia, recent acquisition of Santos assets in Bass Street provides exposure to rising prices in the Eastern Australian Gas market
Fortescue Metals Group	FMG	5.67	17,904	Fe	Leveraged to iron ore prices, improving cost structure and cash flow reducing debt.
Oz Minerals	OZL	8.55	2,512	Cu	Copper play (Prominent Hill, SA) with portfolio of growth projects
Resolute Mining	RSG	1.08	789	Au	Dominantly West African gold production, low debt, \$283m in cash and an aggressive exploration strategy
Sandfire	SFR	5.76	915	Cu	Copper play (DeGrussa, WA) with active management
South32	S32	2.92	15,341	Al, Mn, Zn, Pb, Ag, Met Coal	Diversified portfolio of assets in 'industrial' commodities, particularly leveraged to steel and aluminium demand

BREAKAWAY LOW RISK PORTFOLIO UPDATE

The stocks in the low risk portfolio have recovered during July along with the improving commodity prices. The portfolio performance still lags the index and is largely related to the poor performance of Resolute – recent production appears to be in line with expectations however political unrest and a potential escalating strike situation in Mali has been the reasons for its weakness.

BREAKAWAY SPECULATIVE PORTFOLIO

The *Speculative Portfolio* comprise stocks which offer special situations where recent drilling results or other exploration activities, commodity exposure and/or momentum could generate significant above market returns. However, the companies/projects have a higher level of risk than the companies recommended in the *Lower Risk Portfolio* described above.

Company	ASX Code	Share Price (as at 3 rd August)	Market Capitalisation (\$M)	Risk	Main commodity exposure	Rationale
Atlas Iron	AGO	0.021	204	High	Fe	High leverage to higher than expected Fe prices, strong cash flow and increasing resilience
Hillgrove Resources	HGO	0.091	20	Very high	Cu	Restructuring and a \$5m raising has alleviated short term cash problems. Better production performance and an outlook of improving copper prices could significantly derisk the company.
Hot Chili	HCH	0.029	16	High	Cu	Is developing its flagship Productora copper project on the coastal range in Region III, Chile.
Kidman Resources	KDR	0.56	190	High	Li	Advancing a world class lithium project in WA
Lepidico	LPD	0.014	23	High	Li	Lithium 'game-changer' technology
Panoramic Resources	PAN	0.24	101	High	Ni, Co	Selected Co play, diversified nickel operations
Peel Mining	PEX	0.18	30	High	Au, Cu, Pb/Zn	Exploration in the Cobar region, NSW. Recent discoveries including Mallee Bull highlight the potential of the area
S2 Resources	S2R	0.18	43	High	Au, Cu, Ni, PGM	Aggressive explorer with proven track record. WA and Finland focus.
TNG Limited	TNG	0.16	117	Medium	Va, Ti, Fe	Mount Peake Vanadium-Titanium-Iron project represents a significant project. Todd River Resources demerger creates short term uncertainty
West African Resources	WAF	0.37	204	Medium	Au	Its Sanbrando Gold Project in Burkino Faso is being developed and moving towards 150koz pa production in 2019.

BREAKAWAY SPECULATIVE PORTFOLIO UPDATE

It is pleasing that our 10 stock *Speculative Portfolio* has started to outperform the resource indices. There have been a number of important developments including Kidman Resources' deal with SQM (see our Daily Report dated 26th July), encouraging gold results from West African Gold and overall better copper and iron ore prices.

HYPOTHETICAL PERFORMANCE

Breakaway Research provides hypothetical performance estimation for investors to view the performance of our stock selections. The calculations assumed an equal investment of \$1000 at the time of the stock recommendation.

The **Lower Risk Portfolio** has underperformed the broader market indices and which reflects the diversification in the indices, particularly the domination of BHP and RIO and which tend to outperform in a falling market. Nevertheless, we maintain our faith and expect to outperform in an upswing, particularly when Resolute Mining sorts out its short term issues in Mali.

In contrast the **Speculative Portfolio** has started to outperform the indices on a relative basis as evident in the following table. It is early days but does bode well as our expectations have always been that commodity prices and resource stocks will improve in the September/October period.

Hypothetical Portfolio Returns	3 rd August 17	15 th Feb 17	Performance
Lower Risk Portfolio			-16%
Speculative Portfolio			-3%
Mining and Energy Index Performance			
S&P/ASX 200 Resources	3452.4	3595.0	-4%
S&P/ASX 300 Metals & Mining	3070.0	3204.8	-4%
S&P/ASX 200 Energy	8754.1	9220.8	-5%
S&P/ASX All-Ordinaries Gold	4280.0	4707.8	-9%
Global Mining Index Performance			
S&P/TSX Global Mining	65.9	72.15	-9%
Commodity Indices Performance			
CRB Index	184.03	193.63	-5%
LME Index	2967.00	2904.20	2%
S&P GSCI	2239.53	2405.30	-7%
Broad Market Indices Performance			
DJIA	22026.1	20611.86	7%
FTSE-100	7474.8	7302.41	2%
S&P/ASX 200	5735.1	5809.10	-1%

BREAKAWAY WATCH LIST RECOMMENDATIONS

Stocks within the *Watchlist Portfolio* are in the process of potentially exciting exploration activities on prospects that offer significant upside if the results/activities yield positive results. These companies often have low cash reserves and low market capitalisations meaning that they offer significant leverage to any success but have attendant high risk.

Company	ASX Code	Share Price as at 3 rd August (A\$)	Market Capitalisation (A\$m)	Risk	Main commodity exposure	Rationale
Artemis	ARV	0.155	64	High	Au	Drilling at the Carlow Castle Co Au Cu Project has produced encouraging results from the first 3 holes from an 8 hole program.
Investigator Resources	IVR	0.034	20	High	Cu	IVR has commenced drilling at the Nankivel copper-gold porphyry target.
Matsa Resources	MAT	0.2	27	High	Au	Lake Carey Gold Project exploration with some resources available for immediate toll treating at Sunrise Dam.
Oklo Resources	OKU	0.34	100	High	Au	Encouraging drill results form the Dandoko Project and adjoining Moussala Project are located in wester Mali
Vango Mining	VAN	0.05	23	High	Au	Drilling on the Trident deposit (returned 11m @ 20.2g/t Au) and on other projects in the Plutonic region, WA.

WATCHLIST PORTFOLIO UPDATE

We have reduced our Watchlist Portfolio by excluding St George Mining and Zinc of Ireland. St George Mining released some interesting but not compelling drill results (see Daily Report dated 28th July) while Zinc of Ireland (see Daily Report dated 4th August) announced encouraging zinc intercepts but seems to lack traction in the market to capitalise on these results.

Oklo Resources was included two weeks ago and has recently reported an encouraging intersection of 65.6m @ 2.2g/t Au at its Seko Prospect in Mali (See Daily Report dated 28th July). It now has a \$100m market capitalisation which is high given it is in advanced exploration mode. We would like to see further encouraging results to support the market capitalisation before elevating it to our *Speculative Portfolio*.

We have added Matsa Resources to our *Watchlist Portfolio* which is moving to production with its Fortidue gold project with the ore being trucked to and treated at the Sunrise Dam Gold Mine under ore purchase agreement. 185kt @ 2.2g/t Au for 12koz available for toll treating (See Daily Report dated 28th July). It has also reported some modestly encouraging intersections included 3m at 3.6g/t Au from this Lake Carey gold project. In our view the anticipated production is relatively modest but Executive Chairman Paul Poli is driving the company hard and hence our inclusion in this portfolio.

THE MOTHER OF ALL DISRUPTIONS

Earlier in this report we discussed the FAANGs and their influence on the Wall Street and ultimately, world stock markets. The high margins and cash generation ability of these tech companies has been staggering and highlights the rewards in being a leader in technology.

In an article from City Journal (reference: 7/20/2017 The Mother of All Disruptions | City Journal <https://www.city-journal.org/html/mother-all-disruptions-15251.html>) in discussing the shape of work to come, Author Kay S. Hymowitz outlines a changing world with the rapid introduction of Artificial Intelligence or AI.

Breakaway Research has extracted key components of this work to provide investors with an insight on how AI will affect the workplace and the full article is available at the hyperlink above. There is no doubt it presents a 'frightening' picture as thousands of jobs disappear over the next two decades. The article notes that AI is set to invade just about every sector of the economy and refers to a widely cited 2013 study where Carl Benedikt Frey and Michael Osborne of Oxford examined 702 occupations to figure out which were most likely to be automated. They concluded that 47 percent of American workers were at high risk of being replaced by machines. The World Bank had an even higher estimate: on average, 57 percent of jobs in OECD countries could be automated over the next two decades.

Sounds unrealistic? Have a look at the examples with positive applications first!

Military drones – although they may not reduce the need for soldiers— humans still need to operate and service the machines—but they do lessen the need for soldiers and military-intelligence officers on treacherous battlefields or in jets at risk of anti-aircraft attacks.

Firefighters use drones to get a live-video look at a forest fire or to search for victims before sending men into danger. In March, the New York City Fire Department used a drone to help place firefighters on a damaged roof during a dangerous fire in the Bronx.

Robots have been assisting **physicians** in the operating room for years. A robotic system called Da Vinci has “arms” equipped with cameras and precision tools to perform everything from knee replacements to hair transplants to tumor removal. Da Vinci can operate in hard-to-reach crevices of the body with tiny tools in ways that far exceed the physical capacities of human doctors. By the latest count, 3,803 Da Vinci units are in use worldwide—2,501 in the United States. Studies have found that Da Vinci can mean smaller incisions, less blood loss, and shorter recovery periods than conventional surgery. And because surgeons use magnified, high-definition, 3- D computer-screen images of a kidney or knee, for example, to guide the robot, they don’t need to be in the same room or, for that matter, the same continent as their patient.

“**Telesurgery**” lets a doctor in New York operate on a patient in Ghana and still be home for dinner. The potential benefits for the billions living in remote or medically underserved areas are incalculable. More recently, robots have also been “collaborating” with doctors as they make diagnosis and treatment decisions. IBM’s cutely named robot Watson became a celebrity when he defeated Ken Jennings, famous for winning 74 consecutive Jeopardy games. Now, Watson is in training to become an Olympian medical expert. In fact, without robotic technology, we probably wouldn’t be anticipating personalized medicine. Robots like Watson are tireless info-vores; they don’t suffer overload or need naps or caffeine breaks; they can digest more medical journals, reports, patient records, websites, records, and diagnostic materials in an hour than a doctor could in a lifetime. A Watson designed to analyze genomics consumes something like 10,000 scientific articles and 100 new clinical trials that become available every month. Tell Watson the genomic makeup of a tumor, and it will sift through all the research in order to customize treatment. The optimists can also rightfully claim to have history in their corner.

The AI job-killer perhaps best known to the public is the **self-driving vehicle**. Autonomous transport runs the risk of putting most truck, delivery van, cab, bus, train, and subway drivers out of work —permanently. The process is under way. Barcelona, London, Vancouver, Honolulu, and New York (the AirTrain JFK) all have driverless trains; many other autonomous projects are being planned or built.

Tracks make self-driving trains and subways a relatively easy proposition; driving on city streets is a different matter. Self-operating vehicles must negotiate an almost infinite number of driving conditions and obstacles, not to mention unpredictable human behaviour. Human-driven cars and trucks will probably predominate on American roads, especially urban ones, for several decades at least. The sons and daughters of the 3.4 million people now making a living driving a truck, however, won’t be carrying on the family business. That AI, like earlier forms of automation, hits lower-skilled workers first and hardest should be clear to anyone visiting the local supermarket, CVS, Mobil station, or airport check-in hall. Human cashiers are already giving way to mechanized checkout systems and gas pumps.

Experts have viewed **food service** and preparation as much harder to robotize than the price-adding and change-making done by cashiers; many of the tasks required to prepare food turn out to be surprisingly complex and multi-varied for programming a robot. But that’s changing. Name almost any job associated with contemporary food service, and you can find a company inventing ways to bypass messy, complaining, fatigued, sick, and lateness prone humans. Consider Eatsa, a restaurant with outlets in L.A., San Francisco, Washington, and New York. Eatsa is more like “a vending machine that spits out freshly-prepared quinoa bowls,” in the words of Business Insider, than a traditional restaurant.

Customers use a touch screen to place their order; they then pick up the made-to order food from a translucent Horn and Hardart-style cubby. Aside from a “concierge” to guide customers unfamiliar with Eatsa’s protocol, no human workers are in view. In the back kitchen, people do prepare the food and clean up, but it’s a good bet that their tenure will be on the

short side; robots are now learning how to cook. “Flippy” the robot mans the grill at Caliburger in Pasadena, California. Robots dole the sauce onto pizza dough at Zume Pizza in Silicon Valley. Zume’s cofounders envision automating most of the pizza-making tasks and delivery systems. “Just imagine Domino’s without the labor component,” one of the cofounders told a Bloomberg reporter excitedly. Meanwhile, Starship delivery robots are being tested in 56 cities around the world. The miniature van-like robots are not speedy—they move at only 4 m.p.h. and need a human babysitter—but with improved street-map data and advanced sensors, food delivery’s human “labor component” will eventually be scabbed by machines. Supervised remotely, the robot will arrive at your home with your Thai food—and you won’t have to tip. The most gifted of the food-related robots is undoubtedly Moley, from Moley Robotics. (Company motto: “The Future Is Served.”) By filming a chef wearing “cyber” gloves in 3-D motion capture, the engineers taught Moley to prepare 100 recipes. The Moley kitchenette has the added advantage of being equipped with automatic power washers to handle clean up.

There’s a catch: the robot will need a food processor for all the chopping. The company worries that the sight of disembodied robot arms waving around a knife will put off customers.

Retail salespeople are the latest group to earn headlines as AI service-industry victims. Machine learning gives firms the capacity to generate personalized recommendations for consumers based on previous purchases and to alert them automatically to price reductions on the sweaters or televisions they’ve been eyeing online. Likewise, huge advances in voice recognition are improving chatbots that you “talk” with on company telephones or websites. (The technology-research firm Gartner predicts that in many companies, the large majority of customer interactions will be with nonhumans.) More recently, intelligent and chatty vending machines are being turned into “mini-stores”—self-operating, of course. According to the New York Times, 89,000 workers in general-merchandise stores have lost their jobs in the past five months alone—more jobs than in the entire coal industry. You could argue that, since a growing e-commerce sector opens up more positions for warehouse workers, the retail meltdown is actually a good example of creative destruction.

Many companies specializing in **warehouse** robots are already making ones that can lift cases off shelves. The machines need less space to get around than humans, so warehouses will no longer need to be stadium-size. The robots move faster than humans, too, and they can work 24/7. In 2012, Amazon purchased Kiva, a Boston-based robotics firm, for \$775 million. Last December, the Seattle Times reported that Amazon had expanded its army of robots to 45,000—a 50 percent increase from the year before. The writing is on the warehouse wall.

Coal miners, steel, oil and gas, and construction workers are also looking at a tenuous future. The Canada-based International Institute for Sustainable Development predicts that autonomous long-distance-haul trains, automated drilling and tunnel boring systems, and other technological job-slayers will reach their peak rates of deployment in the next ten to 15 years and replace 40–80 percent of mine workers. In the steel industry, 75 percent of jobs have melted away since the 1960s. With machine learning, that trend and the need for more highly trained employees is threatening even more jobs. On **construction sites**, SAMs (semi-automated masons) can work at superhuman speed. Set one human bricklayer to work alongside one SAM, and you equal the productivity of at least four masons.

AI is making the oil and gas industry far safer and more productive—but with a significant cost in roughneck jobs. Pennsylvania-based Schramm, Inc. has designed an automated rig that can load pipes in one well and then “walk” to the next well, where it reassembles itself to dig the next in line. Since the rig operates by remote control, Schramm doesn’t need workers to install the pipes, one of the most dangerous jobs in the business. (Schramm also built the drilling rig that rescued 33 Chilean copper miners in 2010.) The catch? The new rigs use about 40 percent fewer workers.

White-collar employees should not presume that they're in the clear. Some will also find themselves in the path of the robot cyclone. These include accountants, insurance-claims adjusters, travel agents, bookkeepers, translators—Google Translate now rivals the accuracy of human translators—pharmacists, and even radiologists, journalists, lawyers, and Wall Street traders.

These more prestigious occupations are by no means about to disappear. AI will, however, nibble around the edges of their workforces. Start with journalism. Robots are already doing certain kinds of rote reporting. The AP has published earnings reports needing no human byline and is broadening its coverage of college sports not by hiring rookie reporters but by developing AI algorithms. No one is predicting a day when robots will write feature or opinion pieces, though a cynic might wonder whether many of those articles are already automated. Higher-end **lawyers** have nothing to fear from AI, but paralegals and J.D.s at the bottom of the food chain are another matter. (See “Machines v. Lawyers,” Spring 2014.)

Reading and analyzing documents for discovery is a perfect fit for artificial intelligence, especially as e-mails, instant messages, and the like are expanding the field of discoverable documents. You can already write your will, prepare your taxes, fill out divorce forms, and sign routine contracts online through services like Rocket Lawyer and LegalZoom.

Finance is probably the status industry most susceptible to AI disruption. Hedge funds and money managers are turning to “quantitative strategies,” that is, AI stock picking and trading, in the face of competition from index-traded funds and other highly automated systems. Online robo-advisors like Wealthfront and Betterment are adding to the pressure. Sales and trading jobs have already declined up to 30 percent, according to one industry analyst. By 2025, artificial intelligence is expected to replace 230,000 human workers across the financial industry.

BREAKAWAY RESEARCH

Breakaway Research Pty Ltd

Breakaway Research is an authorised representative of the Breakaway Investment Group Pty Ltd (AFSL 290093). Breakaway has been researching mining and energy companies for more than 10 years and successfully combines technical and financial assessment of companies, leading to superior research.

Breakaway Research offers products to meet the particular requirements of its clients:

- **Subscription Research** for investors with our Daily and Weekly reports summarising ASX releases, commodity price movements, overnight market news, investment themes, recommendations and portfolios.
- **Company Commissioned Research** which promotes the inherent value in companies and their projects to a broad range of investors utilising Breakaway's extensive distribution network including publishing in The Digger Newsletter.
- **Institutional Research** providing bespoke research relating to sectors, investment themes, strategies or particular companies for Institutional and Corporate clients.

Breakaway Research screens companies for suitability and merit prior to issuing a mandate for a Company Commissioned Research Report – hence there is a bias in our recommendations.

For enquiries, please contact:

Rachel Szabo
Manager Client Services

+61 2 9392 8032

rachel.szabo@breakawayinvestmentgroup.com
www.breakawayresearch.com.au

AUSTEX MINING PTY LTD

Rob Murdoch - Principal Consultant

Austex Mining Pty Ltd

BA FAusIMM CP FAIG

Austex Mining Principal Rob Murdoch is an Australian geologist who has specialised in the management of junior resource companies for 30 years. His experience enables Rob to provide a quick and valid assessment on the potential of impact of many announcements, for example those involving new discoveries, drill results or resource upgrades and tracks the progress of companies on their various exploration or development projects.

Austex maintains an extensive database on all ASX listed resource companies, their corporate situations and the status of their various projects. This database helps to identify industry and investment trends which may not be apparent otherwise. Breakaway Research is extremely pleased to be able to utilise Rob's extensive experience in both corporate and technical capacity to assist in identifying resource investments that will directly benefit our subscribers.



PO Box 1677, NEW FARM QLD 4005

Phone: +61 418 712 011

rmurdoch@austexmining.com

www.austexmining.com

IMPORTANT DISCLOSURE/DISCLAIMER

This publication has been prepared by Breakaway Research Pty Limited ("Breakaway") (ABN 39 602 490 906), an authorised representative of the Breakaway Investment Group Pty Ltd (AFSL no. 290093). Daily research collation is provided by Rob Murdoch, Principal Consultant of AUSTEX Mining Pty Ltd ("AUSTEX") (ABN 16 010 801 911) as a service provider to Breakaway Research. This report is part of a subscription package offered by Breakaway Research and Breakaway will receive subscription fees for its preparation.

While the information contained in this publication has been prepared with all reasonable care from sources that Breakaway and AUSTEX believes are reliable, no responsibility or liability is accepted by Breakaway and AUSTEX for any errors, omissions or misstatements and any reader needs to verify the information presented. Breakaway and AUSTEX are under no obligation to provide further research on any of the companies presented in the Breakaway reports. Any opinions, forecasts or recommendations reflects the judgment and assumptions of Breakaway and AUSTEX as at the date of publication and may change without notice. Breakaway and AUSTEX, their officers, agents and employees are not liable under any circumstances whatsoever, in negligence or otherwise, for any loss or damage relating to this document to the full extent permitted by law. This publication is not and should not be construed as, an offer to sell or the solicitation of an offer to purchase or subscribe for any investment. Any opinion contained in the Report is unsolicited general information only.

Breakaway or AUSTEX have not considered the investment objectives, financial situation or particular needs of any individual recipient of this report. Investors should obtain individual financial advice from their investment advisor to determine whether opinions or recommendations (if any) contained in this publication are appropriate to their investment objectives, financial situation or particular needs before acting on such opinions or recommendations.

This report is intended for the residents of Australia. It is not intended for any person(s) who is resident of any other country.. Breakaway and AUSTEX, their officers, employees or its related bodies corporate may, from time to time hold positions in any securities included in this Report and may buy or sell such securities or engage in other transactions involving such securities. Breakaway and AUSTEX, their directors, employees and associates declare that from time to time they may hold interests in and/or earn brokerage, fees or other benefits from the securities mentioned in this publication.

Breakaway and AUSTEX discloses that from time to time it or its officers, employees and related bodies corporate may have an interest in the securities, directly or indirectly, which are the subject of these statements and/or recommendations (if any) and may buy or sell securities in the companies mentioned in this publication; may affect transactions which may not be consistent with the statements and/or recommendations (if any) in this publication; may have directorships in the companies mentioned in this publication; and/or may perform paid services for the companies that are the subject of such statements and/or recommendations (if any).

However, under no circumstances has Breakaway and AUSTEX been influenced, either directly or indirectly, in making any statements and/or recommendations (if any) contained in this Report.