
BREAKAWAY MINING RESEARCH

DAILY REPORT

Monday 2nd October 2017*

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OVERNIGHT COMMENTARY

Markets

The euro took a brief knock in Asia on Monday as investors kept an anxious eye on an independence vote in Spain's Catalonia, although surprisingly strong economic news out of China offered support to equities and commodities, according to Reuters.

The euro fell around a third of a U.S. cent after the violence-marred vote to as low as \$1.1776 in early Asian trade but soon steadied at \$1.1807. Liquidity was very thin with Chinese and Sydney markets on holiday.

Commodities

Commodity price movements were mixed on Friday.

Panasonic said on Friday it will start manufacturing lithium ion batteries for electric cars in fiscal 2019 at its plant in Himeji, expanding domestic production to meet growing demand for green vehicles across the globe. It supplies batteries to Tesla at plant in Nevada and already has five other production plants in Japan.

**prepared based on announcements made by ASX Listed
Resource Companies on the preceding day*

Commodity Prices	Price	Daily Change	Market Movements	Price/Level	Daily Change
Base Metal Prices (US\$/lb)			Broad Market Indices		
Copper	2.92	-0.7%	DJIA	22,405.09	0.1%
Lead	1.13	1.0%	FTSE-100	7,372.76	0.7%
Zinc	1.45	0.8%	Nikkei 225	20,356.28	0.0%
Nickel	4.72	1.2%	HK Hang Seng	27,554.30	0.5%
Aluminium	0.94	-1.3%	Shanghai Composite	3,348.94	0.3%
Tin	9.46	0.7%			
Cobalt	26.80	-0.3%	S&P/ASX 200	5,681.60	0.2%
Precious Metal Prices (US\$/oz)			Mining and Energy Indices		
Gold	1283	-0.3%	S&P/ASX 200 Resources	3,536.00	0.5%
Silver	17.01	1.0%	S&P/ASX 300 Metals & Mining	3,131.80	1.0%
Platinum	919	-0.4%	S&P/ASX 200 Energy	9,251.60	-0.7%
Palladium	927	0.4%	S&P/ASX All-Ordinaries Gold	4,364.10	0.1%
Energy			Global Mining		
Oil WTI (US\$/bbl)	51.69	0.0%	S&P/TSX Global Mining	66.12	0.0%
Thermal coal (US\$/t)	79.40	-2.7%	FTSE 350 Mining	16,546.70	1.3%
Uranium (US\$/lb)	20.55	-0.2%	AIM Basic Resources	2,418.68	-1.7%
Steel making			Commodity Indices		
Iron ore (US\$/t)	62.40	-2.7%	CRB Index	185.44	0.1%
Metallurgical coal (US\$/t)	190.90	-3.5%	LME Index	3139.70	1.0%
Molybdenum (US\$/lb)	7.09	-0.7%	S&P GSCI	2326.46	-0.6%
Tungsten ATP (US\$/t)	310.00	0.0%	Baltic Dry	1356.00	-2.5%
Exchange Rates			<i>Sources include:</i>		
AUD/USD	0.784	0.0%	<i>Bloomberg, Reuters, TradingEconomics, S&P, yahoo finance</i>		
EUR/USD	1.181	0.0%	<i>Commsec, Xe.com, marketindex.com, Macquarie, Breakaway Research</i>		
USD/ZAR	13.52	0.0%			
USD/CNY	6.64	-0.5%			

MARKET REVIEW

New Deals (Including In Progress, Completed Or Terminated) & New Tenure.

ASX Code	Company Name	Details
ENT	ENTERPRISE METALS	Have acquired a 90% interest in 190 sq km of tenure along the Mt Ida Greenstone Belt prospective for gold, north of Kalgoorlie WA. The tenure occurs between the Mt Ida and Davyhurst Au Mining Centers. The Company is targeting shear structures under cover.
RIE	RIEDEL RESOURCES	Have entered into an Option and Sale Agreement on its Charteris Creek Prospect in WA. If option is exercised RIE will receive \$500k cash. The Charteris Project located in the Pilbara WA is considered non-core as RIE is focused on the exploration and development of the Carmenes Co Cu Ni Au Project in Spain.
EUC	EUROPEAN COBALT	Have elected to proceed with the acquisition of the Jouhineva Co Cu Au Project Finland following completion of due diligence. Historic drilling includes 119DD holes (14000m). Intersections include 5.8m @ 0.65%Co from 184mdh. The acquisition price is \$29k cash and 1.7M EUC shares, plus the vendor will retain 1% NSR.
HMX	HAMMER METALS	Have signed a definitive agreement with TSXV-GEMC whereby GEMC will earn up to a 75% interest in HMX's Millennium Co Project NW Qld by spending \$2.7M including \$0.25M cash. HMX to manage exploration until GEMC earns 65%. The work program is being agreed.
BCB	BOWEN COKING COAL	Have completed the acquisition of Cape Coal through the issue of 70M shares in BCB plus 26M Performance shares. The Company have also completed the acquisition of the Comet Ridge Coal Project. The Company is targeting a re-listing on the ASX as soon as possible
NMI	NORTHERN MINING	Have signed a Termination and Release Agreement with respect to a mining project in Northern China that it was acquiring an interest in from Chinese interests. The Company will seek projects in Australia and NZ.
BCI	BC IRON	Have acquired the 600 sq km Kumina Iron Ore Project WA, from Mineralogy and is planning initial exploration programs. The Project has the potential to host iron ore deposits which are complimentary to BCI's Buckland Project. The deal involves a \$2M cash payment and \$7M upon completion, plus an FOB royalty of 2-3.5%.

Production Or Emergent Production News (From Completed DFS/BFS Onwards)

ASX Code	Company Name	Details
AJQ	ARMOUR ENERGY	Have commenced the first gas sales from the Kincora Project Surat Basin Qld. Preparation for the sale has involved the recommissioning of the dry gas circuit of the Kincora Gas Plant and the Kincora to Wallumbilla pipeline and the new end of line facility at Wallumbilla which is now also operational. It is possible to deliver gas to market. Gas is presently being produced from the Newstead Gas Storage Facility, processed and compressed at Kincora and delivered to market. The Newstead facility holds about 2.3PJ of treated gas that requires only minimal dehydration to ensure compliance with sales gas specifications.
OZL	OZ MINERALS	Work has commenced on Phase 1 development of the Carrapateena Cu Au Mining Project SA. Phase 1 has involved the purchase of a pre-owned 550 bed accommodation

		village and ground work for the airstrip and village. Decline development is also progressing. The second phase is subject to the granting of a Mining Lease, and will involve construction of the processing plant.
LOM	LUCAPA DIAMOND	Have had cut a 163 carat diamond from a 404 carat rough stone from the Lulo Alluvial Diamond Mining Operations Angola (40% LOM) which LOM say the auctioneers Christie's has described as the largest flawless cut diamond ever put up for auction.

Reserves and Resource Updates

ASX Code	Company Name	Details
WPG	WPG RESOURCES	Have updated the Total Resources at the Challenger Au Mine SA to 1.6Mt @ 6.99g/t Au for 364koz Au contained. The Reserves are 0.53Mt @ 5.6g/t Au from 97koz Au. The Contained Resource has increased 6% over the last 12 months despite mine depletion. The extra ore is mainly from the M3 Lode at depth below current workings.
HRN	HORIZON GOLD	Have confirmed that the current Total Resources at the Gum Creek Au Project WA are unchanged over previous report. The Resource is 17.3Mt @ 2.25g/t Au for 1.25Moz Au of which 75% in Indicated. No ore reserves have been declared to date.
PAN	PANORAMIC RESOURCES	Have confirmed that the Total Contained Nickel Reserves are 116.8kt; Copper 52.4kt and Cobalt 7.6kt. The contained reserves have all increased by >300% over FY 16. In particular the Cobalt Reserves are up 744%. The Total Contained Nickel Resources are 313.6kt; Copper 99.1kt and Cobalt 14.9kt. The contained resources are all increased by >18% over FY 2016. In particular the Cobalt Resources are up 43%. The Company's total Platinum Resources 1.39Moz and Palladium 1.46Moz. The reserves/resources are from the Savannah Nickel Project and Lanfranchi Nickel Project both located in WA. The PGE resources from the Panton PGE Project WA and the Thunder Bay North PGE Project Ontario Canada.
DRM	DORAY MINERALS	Have upgrades its Total Gold Contained Resources to 1.4Moz Au at 4.3g/t Au. The resources are made up of Andy's Well (520koz Au) Deflector (569koz Au) and Gnaweeda (322koz Au). The Contained Copper Resource at Deflector is 18.4kt Cu. The Reserves are 260koz Au at 4.8g/t Au, comprising 240koz at Deflector and 19koz Au Andy Well. The Copper Reserves are 9.2kt at Deflector.
HCH	HOT CHILLI	Total Contained Resources at the Productora Cu Project Chile, are unchanged over the past year, to remain as 1.13Mt Cu at 0.48%Cu and 730koz Au at 0.1g/t Au and 32kt Mo at 135ppm Mo. The Cu Resource comprises 1.06Mt at Productora and 73kt at the Alice Deposit.

Drilling Pending, Underway or Completed with Assays Pending

ASX Code	Company Name	Details
KRC	KING RIVER COPPER	The Company is planning to commence a 1500m plus RC drill program at the Mt Remarkable Project East Kimberley WA, mid-October. The drilling will test multiple gold targets and vein and structural extensions. Past intersections include 5m @ 15.4g/t Au.

PAK	PACIFIC AMER COAL	Wildfire activity in BC Canada has caused disruption to drilling and environmental base line activity on the Company's Elko Coking Coal Project. The Current resource is 257Mt Coking Coal.
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Drill Targeting & Exploration News (Geological, Geochemical & Geophysical)

ASX Code	Company Name	Details
VEC	VECTOR RESOURCES	Have located new artisanal gold workings at the Lukele Prospect, located 700m west of the Company's main Kabotshome Prospect (Maniema Au Project DR Congo). The workings show cross cutting structures across the main shear within weathered metasediments. Other Prospects include Eveche and Mitunda. All 4 prospects are associated with soils anomalies and drilling is planned to commence shortly at the Kabothome.
KAI	KAIROS MINERALS	A maiden exploration program is to start next week targeting the conglomerate – hosted gold potential of the Company's extensive Pilbara Tenement Portfolio, located adjacent to tenure held by TSXV- NVO where recent discoveries have been made in conglomerate. The initial target will be the Croydin Prospect, where thick sequences of conglomerate occur.
DHR	DARK HORSE RESOURCES	DHR have commenced exploration over the Pampa Lito Lithium Projects in Argentina, involving mapping and sampling, plus geophysics all designed to target the initial drilling. The Company has also undertaken due diligence over an extensive portfolio of gold areas, known as the Proar Au Project, including compilation of a database and field evaluation. The host rocks are Cambrian Metasediment intruded by granites and tonalities. 8 targets have been identified for further evaluation. DHR is terminating its involvement in the Pico Quemado Coal Project, to focus on its Lithium and Gold Projects.
AUZ	AUSTRALIAN MINES	An airborne geophysical survey is currently underway across the Company's Thackaringa Cobalt Project near Broken Hill NSW. The aim of the survey is to identify drill targets.
ARV	ARTEMIS GOLD	Since 7th September a further 59.5 ounces of specimen gold has been recovered from dozer scrapings at the Silica Hills Au Project in the Pilbara WA. The gold is located within quartz reefs/pods within a shear zone.
CO1	FIRST COBALT	Sampling of historic rock piles at the Bellingen Mine within the Greater Cobalt Project Ontario Canada has returned assays up to 3.76% Co, 46g/t Ag, 0.93% Ni and 0.03% Cu. The Company commenced a 7000m drilling program in August to test nine vein systems over 2 kms of strike, which includes 4 historic mines including Bellingen.

Capital Raisings & Financing > \$1M

ASX Code	Company Name	Details
MEP	MINOTAUR EXPLORATION	Have raised \$1M by way of a Placement at 5.2 cents per share. It raising includes \$0.25M from largest shareholder Sprott Group. The Company is now planning an Entitlement Issue at the same share price to raise another \$1M. The funds will be directed to exploration at the Prominent Hill JV Cu Au Project in SA and WA Nickel assets.
CLZ	CLASSIC MINERALS	Have reached in-principal agreement with Radium Capital who will fund 80% of each quarter's expected R&D expenditure at an interest rate of 15%. The expected FY 18 R&D

		refund is expected to exceed \$2M. In addition CLZ have a Standby Subscription Agreement with Stock Assist Group has been increased from \$1M to \$5M. CLZ have acquitted 80% of the gold rights on the Forrestania Au Project Tennure WA from ASX-HNR. The contained resources are 240koz Au at 1.25g/t Au from the Lady Ada, Lady Magdalene and Lady Lila Prospects.
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Corporate News (with a potential effect on projects)

ASX Code	Company Name	Details
GBE	GLOBE METALS	Have relinquished the Chiziro Graphite Project and the Company will focus on the Kanyika Niobium Project in Malawi.

Investor Presentations (Does Not Include AGM Presentations)

ASX Code	Company Name	Details
MEP	MINOTAUR EXPLORATION	MEP holds ISCG (iron sulphide copper gold) style Cu Au Projects in Qld and SA, Ni projects in WA and Industrial Mineral Projects in SA. The main focus currently is the Prominent Hill Alliance with ASX- OZL in SA, where MEP is earning up to 20% farming into regional exploration around the Prominent Hill Cu Au Mine owned by OZL. A ground EM along 15kms along the Skylark Shear Zone has identified 3 new targets and follow up drilling is planned from October. MEP advises that ISCG style mineralization has not previously been pursued around Prominent Hill. The Qld Projects include the Eloise JV where ASX-OZL is farming into by spending \$10M in exploration. Recent EM survey has identified 4 priority targets and a 2000m DD program is planned. MEP also holds the Osbourne JV where JOGMEC is farming in to earn 51%. MEP hold the 176 sq km Leinster Ni Project WA, which includes the Horn Ni Deposit with a historic resource of 600kt @ 1.42% Ni. The Company also holds the Saints Ni Project WA which has a resource of 1Mt @ 2% Ni at the Saints Deposit and numerous Ni and Au targets have been outlined along the Leinster Ni Belt. In SA the Company holds a range of industrial mineral interests and have an active R&D program into the industrial uses of these minerals.
GLF	GULF INDUSTRIALS	GLF have entered into an agreement to earn a 70% interest by spending \$9M over 2 years within the 4 sq km Gbane Au Project Ghana. The Project is located adjacent to the Shaanxi Au Mine and along strike from ASX-CDV 4Moz Namdini Au Project. Stage 1 drilling intersections include 3m @ 5g/t Au and 12m @ 1.8g/t Au from 123mdh. GLF report that half of the 58 holes drilled intersected mineralization material. The Company is proposing a name change to Cassius Mining.

BREAKAWAY RESEARCH

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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.



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