

# KALKINE MAGAZINE

MARCH 2021

**DECODING THE NEWS,  
TRENDS AND STOCKS THAT  
RULE THE MARKET**



# ABOUT KALKINE

Kalkine Group is a renowned name consisting of entities, some of which are engaged in equity market research and some operate as investor relations and media house firms. Kalkine caters to the share markets of Australia, the UK, Canada, and New Zealand. The Company will soon spread its wings in the American share market and has also set its eyes on the growing Ireland market.

Kalkine Media provides trending and live news articles about listed companies belonging to diverse sectors and market commentaries.

Interestingly, Kalkine Media also operates on the model of Advertiser – a Publisher firm under its B2B umbrella, providing a dedicated platform to the subscribed clients to leverage various offerings like exclusive banners, sponsored article coverages, email direct marketing campaigns (EDMs), videos and podcasts.

Periodic Investor Events and Webinars provide a crucial platform for several listed players/ private companies to present their business vision amidst broader industrial landscape and to interact with core audience including Brokers, Fund Managers/SMSF Investor Managers, Sophisticated Investors, Senior Business Executives and Retail Investors.

## TEAM KALKINE

Team Kalkine comprises specialists including equity, currency, commodity, and economic analysts providing in-depth unbiased up-to date analysis. The team of analysts, sector-specific journalists and editors have hands-on experience in developing industry breaking and trending equity and economic news. The team strives to work on the vision of establishing a strong foothold, primarily as a reliable media firm.

ABOUT KALKINE

## KUNAL SAWHNEY

Founder & CEO



**Kunal Sawhney** is the Founder & CEO of Kalkine Group and is a richly experienced and accomplished financial professional with a wealth of knowledge in the Australian Equities Market. His knowledge, skillset and vision provided all the perfect ingredients required to start one of the fastest growing equity market research firms across Australia. This was further supported by the aim of channelising energy and enthusiasm towards the stock market into a leading Media Research Firm.



**Hina Chowdhary** is Director, Equity Research at Kalkine Group with extensive experience in the area of Research and Equities Research. She has hands-on experience in developing industry breaking equity news, company specific investment themes/ ideas, and other equity research-related products.

# KALKINE FOOTPRINT



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# 1. HOW THE PANDEMIC TURNED WORK-LIFE BALANCE ON ITS HEAD

The decades-long struggle to keep work pressures from invading the personal affairs was snuffed out when workstations began encroaching upon some corners of our living spaces during the pandemic. While the new normal of remote working proved to be a saving grace for many, unplugging from work has become a daunting

task amid the dissolving work-life boundaries.

Despite the dilemmas, the arrangement has turned out to be a happy medium so far. However, sustainable employment practices have started facing occupational Armageddon with businesses gradually reopening.

## Mounting risk of employee burnout

Several behavioural studies have unveiled that the average daily workhours have stretched, increasing the risk of burnout and spawning several mental health issues among the employees. Starting the work earlier and logging off later than usual besides frequently skipping the lunch

breaks have become an unwelcome yet repetitive pattern for many.

Blame it on your employer's mercenary attitude, your lack of productivity or the demanding market scenario; it seems that the treasured transition has its own failings.



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## Who Suffered the Most?

The remote working has reset our lifestyle to make it more sluggish and less interactive eventually. While everyone had their fair share of trouble during the pandemic, working mothers were among the most gravely affected groups.

The increased job insecurity in the face of already existent gender pay gap has wreaked havoc on the

psychological well-being of many aspiring women, springing forth several mental health issues.

Many female employees found themselves stuck between a rock and a hard place as their family responsibilities grew manifold amid the constant pressure to perform well in the professional sphere.

## The allure of diversified benefits

Despite the increased workload, a significant workforce has settled well in the new professional cult and is finding the experience quite appealing. After all, who would not prefer the luxury of being able to climb the professional ladder from the comfort of home settings?

Meanwhile, another icing on the cake for many employers was the transition's cost-saving benefits as businesses adopting

work-from-home saw several overheads decreasing.

Interestingly, the wealth of the world's billionaires ballooned by 27.5% between April and July-end as per a study by Swiss Bank UBS.

The pandemic could prove to be a soft launch into the new transition. However, several continued improvements would be needed before it becomes a sustainable working approach.



## Advancing towards long-term potential solutions

The debate can continue for years regarding who played the victim card during the pandemic - the employer or the employees. However, the need to address the newfound issues in the fresh arrangement is highly compelling.

One of the ideas that is gradually gaining traction recently is that of the four-day work week. The concept is thought to have a

two-pronged benefit – of letting employees enjoy an additional day off for relaxations and boosting the economy through extended weekend spending. However, squeezing the weekly hours into just four days could prove to be an Achilles heel for a workforce already struggling to wrap up their mammoth workload even in the current scenario of five-day workweek.

## 2. TECH GIANTS THAT STOLE THE SHOW IN JAN & FEB 2021

### Tesla/SpaceX

The year 2021 seems to have kicked off on a stellar note for Tesla's co-founder and SpaceX founder, Elon Musk. Tesla has hit a value of over USD 770 billion by mid-Feb 2021 from just over USD

260 billion six months back. That makes a spectacular ~196 per cent increase in market capitalisation. On a YTD basis, Tesla's market value has risen by over USD 100 billion.



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## Since the beginning of this year, Musk's Tesla has grabbed headlines for various reasons:

- Early in January, a remarkable surge in the stock price of Tesla helped Elon Musk dethrone Amazon founder Jeff Bezos to become the world's richest person.
- Tesla short sellers lost billions of dollars on the EV maker than any other firm in 2020, with bears getting severely scorched with its stock price exploding to new highs.
- The EV maker's revenue hit USD 10.74 billion in Q4 2020, exceeding market expectations of USD 10.38 billion.
- Tesla announced USD 1.5 billion investment in Bitcoin and unveiled plans to start accepting the cryptocurrency as payment for its premium vehicles soon.
- In mid-Feb, Tesla unveiled a new software update in China that contains social media app TikTok.

Besides Tesla, Musk's private aerospace company SpaceX also caught the world's eye for securing a contract worth over USD 331 million from NASA (National Aeronautics and Space

Administration). NASA recently awarded an important contract to SpaceX to launch the initial two pieces of the forthcoming Lunar Gateway in 2024.

- The Lunar Gateway is a space station that NASA intends to put in orbit around the moon under its Artemis program.
- The Artemis program is the US government's plan to establish a permanent presence of humans in deep space.
- SpaceX will potentially use a modified version of its Falcon Heavy rocket to launch two major parts of the Gateway lunar orbiter.
- The two elements - Power and Propulsion Element (PPE) and Habitation and Logistics Outpost (HALO) - are targeted to be launched sometime around 2024.

NASA's plans to establish a human presence on the moon seem to be heavily relying on SpaceX's rockets. Notably, Musk's SpaceX has spent years claiming its rockets as cheaper alternatives to the rockets created by legacy launch providers.

Along with the NASA milestone, SpaceX also garnered spotlight for launching its 'rideshare' mission with 143 spacecraft, setting a fresh record for a single rocket into space. Akin to "rideshare Uber", SpaceX small satellite can get you a ride to space with its latest mission.

SpaceX is further planning to launch the "the world's first all-civilian mission" in Q4 2020, which will be a first-ever space mission for people with zero professional astronaut training. The mission will launch four non-professional astronauts on Space X Dragon capsule into orbit around the Earth.

All in all, Elon Musk intends to lower the space transportation cost and allow the colonisation of Mars via SpaceX and accelerate the globe's transition to sustainable energy via Tesla.

## An older tweet of Musk offers further insight into his goals and dreams:

"About half my money is intended to help problems on Earth, and half to help establish a self-sustaining city on Mars to ensure continuation of life (of all species) in case Earth gets hit by a meteor like the dinosaurs or WW3 happens and we destroy ourselves."



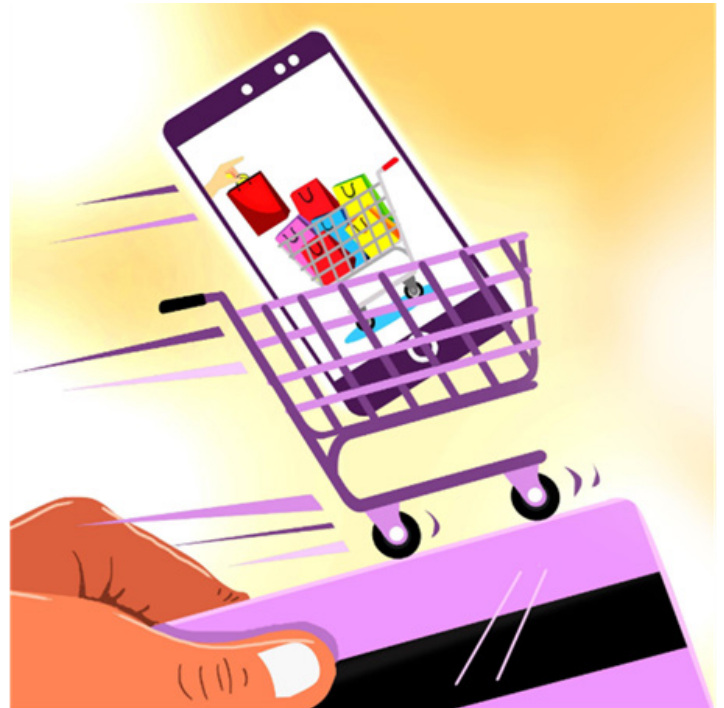
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## Amazon/AWS

In the world of online commerce, Amazon has certainly emerged as a platform that consumers & online sellers simply cannot afford to neglect. Led by Jeff Bezos, Amazon has established a prominent position in the e-commerce space, backed by its warp speed shipping service, competitive pricing, and reliable customer assistance.

However, Jeff Bezos' recent decision to step down as the CEO of Amazon and become its executive chairman in Q3 2021 has taken the world by surprise.



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Early in February 2021, Amazon announced that Andy Jassy, who is the head of its cloud division Amazon Web Services (AWS), will take over as the new CEO of the Company replacing Bezos. Jassy is widely recognised as the father of cloud computing, who has done a terrific job in managing AWS.

The announcement came as the e-commerce platform unveiled robust results for December 2020 quarter:

- Net sales rose by 44 per cent to USD 125.6 billion, surpassing USD 100 billion for the first time.
- Operating income surged to USD 6.9 billion in Q4 2020 from USD 3.9 billion in the prior corresponding period.
- Net income rose to USD 14.09 per diluted share from USD 6.47 per diluted share in Q4 2019.

Interestingly, Amazon broke all records during the last quarter with consumers increasingly turning towards the platform for medical supplies and home staples amid COVID-19. The closure of brick-and-mortar stores due to coronavirus lockdowns further gave a leg up to online sales across the globe, especially in the US.

With Jeff Bezos stepping down as Amazon's CEO, all eyes will now be on Andy Jassy, who will be determining the future of the world's largest online retailer. Notably, Jassy has been a crucial driver of Amazon's growth over the past few years. He founded Amazon's flourishing cloud business division, AWS, which has long been recognised as the profit engine of the Company.

The transfer of power in the hands of Jassy is expected to deliver the following benefits:

- It will allow Jeff Bezos to focus on other important ventures, like Blue Origin, which intends to colonise the solar system and transform space travel.
- Jassy's level of knowledge on the technology and the broader ecosystem can unlock scalable benefits for Amazon in the modern era of digitalisation.
- As Jassy is believed to share the same core values as the current CEO, his leadership is likely to ensure strong continuity at Amazon.

After taking over the wheel at Amazon, Jassy is also anticipated to inherit many challenges triggered by the meteoric rise in business. These challenges comprise:

- Growing scrutiny from regulators over the Company's business practices.
- Labour issues born during the pandemic.
- Burgeoning competition in the cloud computing industry.
- Threat from brick-and-mortar retailers like Walmart.

# How GameStop traders wiped the floor with a Wall Street hedge fund?

The GameStop (NYSE:GME) buying frenzy was a rare event in the US market, which has probably changed the way we think about the big investors vs retail traders never-ending battle. An army of retail traders, known as Reddit traders, had skewed the markets in its favour, outsmarting the 'smart money' itself. So how come an army of retail traders could spoil the party for some of the smartest Wall Street investors?

The GameStop saga started somewhere around mid-January when a motley crew of traders on an online forum "Reddit" joined hands and agreed to go on a buying spree. This never-before-seen buying of GameStop's share, which was triggered by the Reddit traders' cumulative efforts, sent the stock to the moon, delivering a mindboggling return of over 2700 per cent in a few weeks.

So, if retail traders made money on this singular event, then who lost? Surprisingly, this time the most knowledgeable investors on the Wall Street with sophisticated research and deep pockets lost it significantly to small retail traders.

Some hedge funds, including Melvin Capital, were of the opinion that the company was as good as dead and had built up a humongous short

position in the same counter. The price rise by exorbitant demand was so sharp that these funds couldn't exit their positions well in time and became the victim to a short squeeze.

A short squeeze is a phenomenon that results in a very sharp rise in an asset's price, primarily due to excessive shorts. When the short position is created, investors need to make sure that the price would fall in the coming time to buy it back later at a lower price. However, if the price rises instead of falling, it forces the investors to exit the position to cut the losses short.

The exiting of a short position requires a buy action, which eventually fuels up the already rising prices, making it difficult to exit. This is precisely what happened with the hedge funds like Melvin Capital, who lost more than 50 per cent of the AUM. The extent of the damage was so huge that Melvin Capital had to request a bailout package to continue its operations. Citadel and Point72 stepped in to rescue it by infusing almost US\$3 billion.

The trading mania seems to be over now as regulators have stepped in to investigate the matter that sent a wave of unexpected volatility across the US market.

### 3. CAN WE FIX THE CLIMATE CONUNDRUM BEFORE IT GETS TOO LATE?

One of the toughest environmental threats and risks that we are facing in current times is the phenomenon of climate change. Over the last century, persistent human activities like burning of fossil fuels, deforestation for agricultural, industrial and other purposes have led to burgeoning concentrations of greenhouse gases that trap the heat from the

sun by gathering in the atmospheric space.

Ample research shows that power plants burning fossil fuels are one of the major contributors of carbon dioxide pollution and therefore, sources of renewable energy can help to keep pollution-due-to-carbon in check.

Renewable Energy, coupled with energy efficiency gains, can provide 90% of the CO2 emissions reductions needed by 2050.  
- International Renewable Energy Agency (IRENA)

It is said that dramatic changes in the methods of producing electricity are one of the imperative steps towards protecting the climate as the power sector emanates a significant chunk of the total carbon emissions. Moreover, there has been a major shift towards renewable sources such as wind energy, solar energy, and biofuels as alternative sources of energy.

However, the big question remains about the accessibility towards renewable energy sources.

Big players like Tesla are turning the corner amid the not-so-good situation on climate change front by taking the lead in the electrification of transport system through its electric vehicles (EVs). The growing emphasis on shifting towards EVs reflects their potential in achieving the international climate goals.

"Giving more New Yorkers access to renewable energy can allow them to reduce their own energy bills while reducing stress on the grid and demand for fossil fuel power. This can save money for all ratepayers and allow us all to breathe cleaner air."

ANNE REYNOLDS

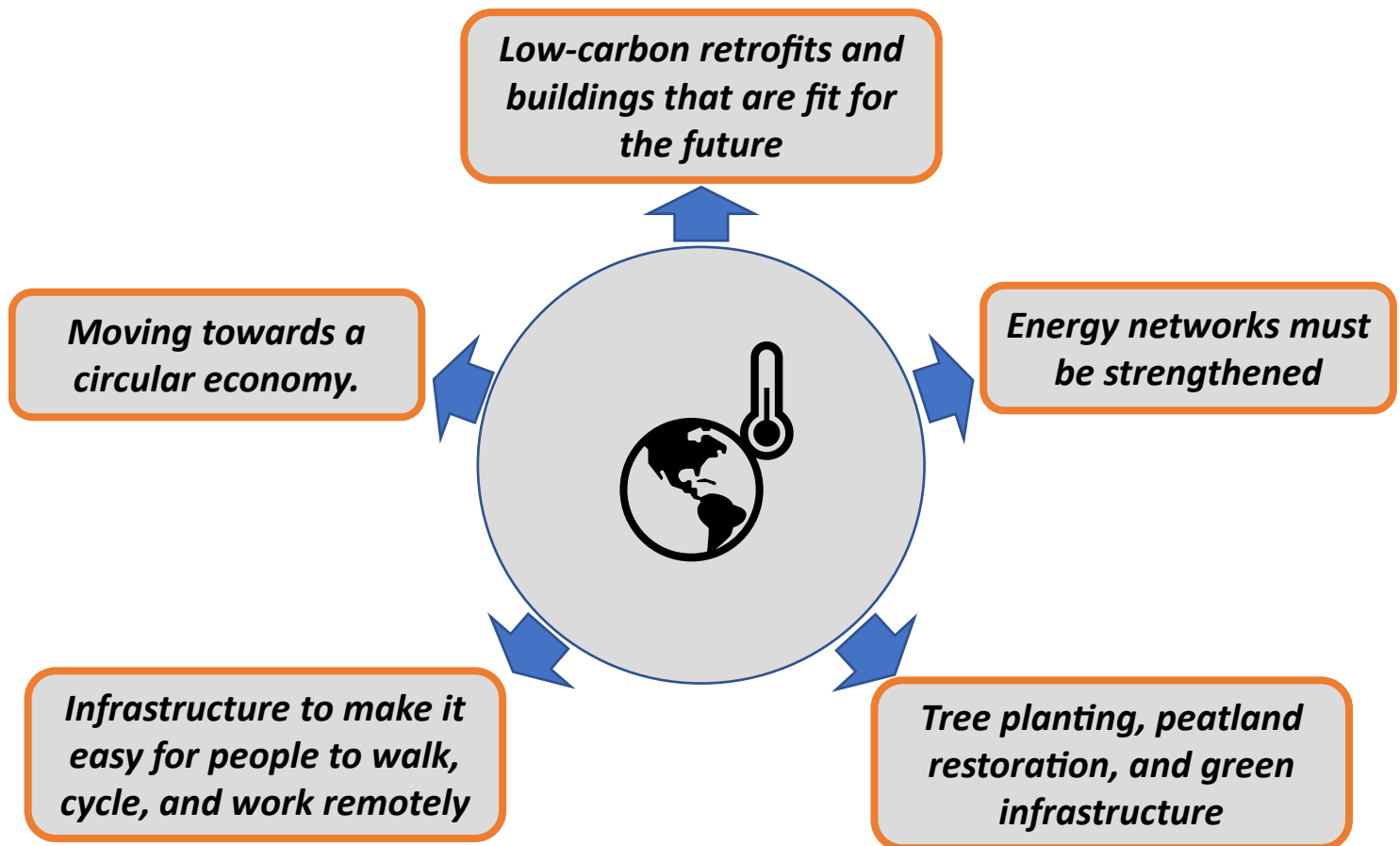
EXECUTIVE DIRECTOR, ALLIANCE FOR CLEAN ENERGY NEW YORK



Amid growing concerns towards climate change, international governments are implementing large scale programs and incentivising schemes to promote electrically powered transport. According to the International Council on Clean Transportation, the United States - which is the third-largest market for EVs after China and Europe - has witnessed growing support for electric share of new vehicles through several

domestic, state, as well as utility promotion actions.

Additionally, the governments have been working against the clock for assessing broad measures and gathering latest evidence on the role of climate policies in the economic recovery. The Climate Change Committee (CCC) of the UK recommends five clear investment priorities in the upcoming times.



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**Five Investment Priorities, Source: Reducing UK emissions: 2020 Progress Report to Parliament**

The CCC believes that other opportunities are believed to arise by investing in the UK's workforce, reskilling and retraining programmes, reinforcing the climate-positive behaviours and kick-starting research and innovation in low-carbon and adaptation technologies.

In a nutshell, framing guidelines and incentivising schemes alone may not be enough to create a push towards more climate-positive

behaviours as a major chunk of the transportation is still based on pollution-causing fuels.

Creating awareness and implementing changes that trigger positive behaviour towards environment-friendly ways of living can help in achieving climate goals and rebuilding the economy in a better way. It is high time that we go all in to make more positive impact on the environment by altering the ways of living.

## 4. INSIGHTS FROM A FEW KALKINE CLIENTS

### Chimeric Therapeutics Limited (ASX:CHM)

Clinical-stage biotech firm Chimeric Therapeutics Limited (ASX:CHM) is engaged in developing revolutionary CAR T cell therapies for solid tumors. The cell therapy of Chimeric is based on scientific research conducted at City of Hope Cancer Centre.

CHM's revolutionary technology known as CLTX-CAR T uses chlorotoxin, a peptide derived from scorpion poison, as the tumour-targeting component of the chimeric antigen receptor (CAR) to reprogram T cells.



Image Source: © Shutterstock.com

## What is CLTX-CAR T therapy?

CLTX-CAR T is a specific CAR T therapy that is designed to combat Glioblastoma (GBM). CLTX-CAR T

uses chlorotoxin (CLTX) peptide as its CAR tumour recognition domain.

- The CLTX targeting domain enables Chimeric's CAR T to uniquely identify and attach to GBM cells.
- CLTX-CAR T cells mainly target GBM by identifying a receptor complex composed of membrane-bound matrix metalloprotease 2 and chloride channel CLC3.
- Pre-clinical trials of CLTX-CAR T have been completed, and currently, it is under Phase 1 clinical trial at City of Hope.

Remarkably, Chimeric holds the global rights to develop and market CLTX-CAR T cells. The Company can also develop the therapy further for the treatment of other cancers.

Two leading CAR T researchers at City of Hope - Professors Christine Brown, and Michael Barish - have developed the CLTX-CAR T technology. Interestingly, Professor Brown also chairs Chimeric Therapeutic's Scientific Advisory Board (SAB).

### **CLTX-CAR T has demonstrated potent anti-tumour activity against GBM and uniquely overcomes the challenges confronted by other therapies:**

- For other CAR T therapies, it is challenging to find and destroy all the GBM cells because of their heterogenous nature, while CLTX-CAR T therapy has successfully overcome this challenge.
- With CLTX-CAR T, the pre-clinical research of Chimeric Therapeutics has almost exclusively demonstrated that chlorotoxin attacked the cancerous GBM cells but spared the surrounding healthy cells, which is often a challenge for other CAR T therapies.

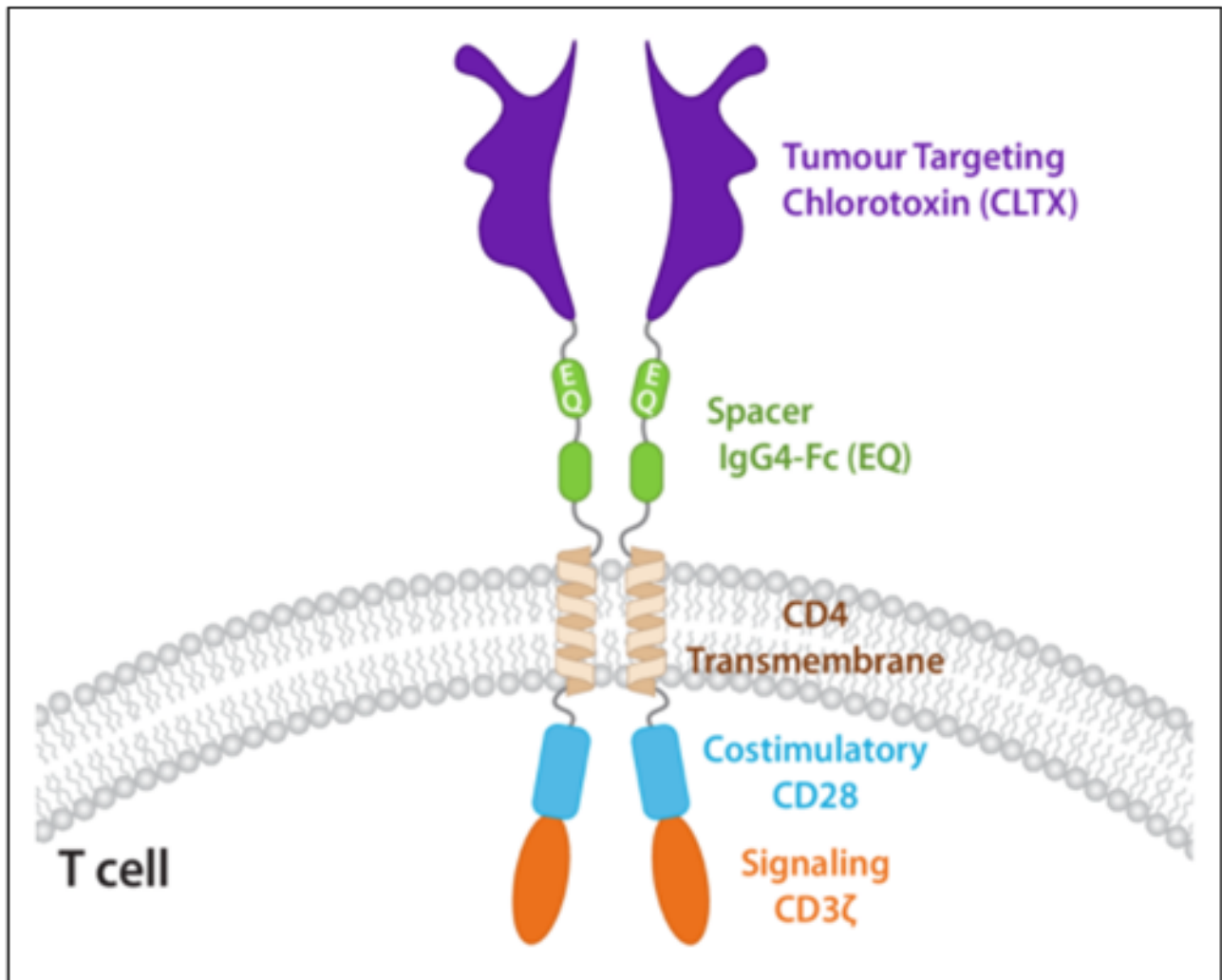


Image Source: CHM Website

## Phase 1 CLTX-CAR T Cell Study

Phase 1 clinical trial of the CLTX-CAR T technology is currently underway at City of Hope.

- The first patient of the study was dosed in late 2020.
- Nearly 20-30 patients are expected to participate in the open-label trial.
- The Company is expected to complete the trial in 18-24 months with first data likely available in the second half of 2021.

On completion of the clinical trial, Chimeric Therapeutics anticipates to rapidly commence a pivotal Phase 2 clinical trial at sites across the world.

## Outlook: the way forward

Chimeric Therapeutics will be working to guarantee the optimal development for CLTX-CAR T.

The Company will also focus on revving up its corporate pipeline by in-licensing additional innovative cellular therapies technologies for oncology.

Currently, Chimeric is working to evaluate opportunities in additional solid tumours including hepatocellular, lung, ovarian, and pancreatic cancer, as well as in hematological malignancies such as Acute Myeloid Leukemia (AML), Multiple Myeloma and Lymphoma.

## MRG METALS LIMITED (ASX:MRQ)

MRG Metals Limited (ASX:MRQ) is a cost effective, technically driven exploration company, exploring economic deposits of heavy mineral sands (HMS) in the southern part of Mozambique. Mozambique is recognised as the world's largest host to HMS titanium feedstock resources.

Tapping a transformational investment opportunity in which low-cost exploration expenditure may generate significant growth, MRG Metals is currently developing

the Corridor Projects, exploring for economic deposits of HMS.

The Company has been implementing programs designed to maximise the probability of discovering globally significant mineral resources. It has achieved a lot in just a few months of exploration, with the ongoing district-scale exploration on 13 high-calibre targets on Corridor Central & Corridor South projects, demonstrating continuous and impressive developments.



Image Source: © MRG Metals.com

Notably, MRG Metals was recently granted EL Marao 6842L and Marruca 6846L, which more than doubles the Company's wholly owned tenement area in Mozambique. Exploration activities comprising initial reconnaissance auger drilling on an approximate 500m by 1,000m grid commenced at Marao in February 2021.

## Development spree

The Company is in a very enviable position for a small cap company in being able to declare two MRE's covering separate areas of its portfolio in a short space of time.

This is not only a reflection of the quality of its Mozambican assets but also the diligent work programs and day to day activities being conducted by the team.

### Below are MRG Metals' recent key developments-

- The Company recently completed a \$2.1 million placement that will enable the expansion of ongoing exploration activities, further project development and general working capital.
- MRG Metals' formally submitted its expression of interest to utilise the proposed African Renaissance Pipeline Project for the supply of natural gas feedstock to its assets via pipeline and grid source electricity for its power and heat conversion needs.
- Zones of high grade HMS with potential for in excess of 100MT were discovered at the Nhacutse and Poiombo Targets.

## A second MRE soon?

The Company also notified about the commencement of an Infill Aircore drilling program at the High Grade Nhacutse Prospect within MRG Metals' Corridor South (6621L) exploration license. MRG Metals is confident that this drilling program at Nhacutse will give the Company

its second Mineral Resource Estimate from the Corridor Projects.

Assay data from existing holes suggest a higher THM grade than that of Koko Massava MRE - 1.423 Bt @ 5.2% THM.



Image Source: © MRG Metals.com



## As Chairman Mr Andrew Van Der Zwan says-

**“2021 has the potential to be a re-rating year for MRG with the value of the Multi Billion dollar inground minerals increasing and translating to shareholder value. We look forward to reporting our results from our exciting programs being carried out on the ground in Mozambique, including potentially defining new Mineral Resource Estimates from our various assets. With Mineral Sands prices on the rise, there has never been a more exciting time to be involved in this space.”**

- Successful maiden JORC Resource at Koko Massava – 1.4 Bt @ 5.2% Total Heavy Mineral 4% cut-off grade.
- Foundation for a potential multi decade mine life.
- Significant exploration upside within Corridor Central and South with new licences granted.
- Ongoing search for best 5-10 year early mine ore feed – to propel economics and sustain market cycles.
- MRG has a proven exploration method, with discovery cost best in market of less than 1c/tonne to apply to Marao and Marruca projects.

## Golden State Mining (ASX:GSM)

Investors' growing fascination with gold in the wake of COVID-19 pandemic catapulted the yellow metal to a record high of USD 2,064 (AUD 2,800) an ounce in August 2020.

Despite the pandemic creating an abysmal investment scenario for the equity markets, the yellow metal emerged as a saviour, offering huge returns.



Daily Gold Prices (Source: Eikon Refinitiv, 12 February 2021)





## Gold Steering the Economic Wheel Amid the Pandemic

Gold is currently hovering around USD 1,830 (~AUD 2,300) an ounce, allowing gold players to make the most of the opportunity by maximising their margins.

As per the World Gold Council, gold-backed ETFs registered a record annual net inflow of 877 tonnes in 2020. This led to an increase in their gold holdings by more than one-third, consequently

reaching 3,752 tonnes, an all-time high.

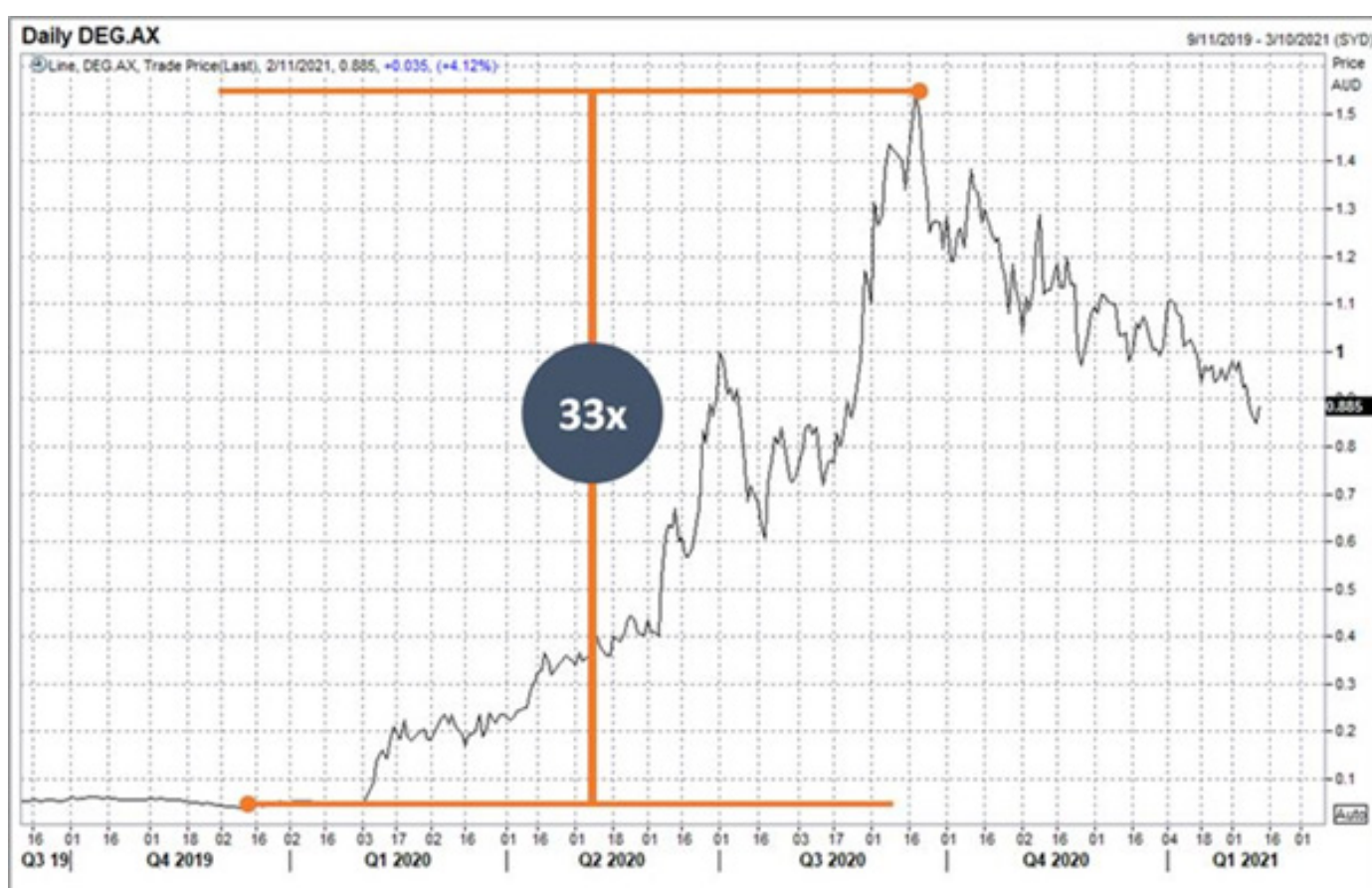
Australia aims to emerge as the world's largest gold producer in 2021. According to the December 2020 edition of the Resources and Energy Quarterly report, Australia's gold mine production is projected to hit a record 384 tonnes in the year 2021-22. The boost in production is being triggered by record price gains.



***In this backdrop, let us have a look at Golden State Mining Limited (ASX:GSM), armed with a highly prospective gold project portfolio in Australia. The explorer is primarily focused on its flagship Yule Project in Western Australia, eyeing a potential major gold discovery.***

## Few Interesting Facts about the Yule Project:

- Covering an area of 708km<sup>2</sup>, the project sits 45-65km southwest of Port Hedland in the north Pilbara region.
- The Yule Project is located 15kms northwest of De Grey's (ASX:DEG) 'Hemi' discovery within the highly prospective Mallina Basin.
- The Sholl Shear Zone (SSZ) is a major regional structure within the northern and western Pilbara and dominates the Yule North Project.



DEG Share Price and Price Range (Source: Eikon Refintiv 12 February 2021)

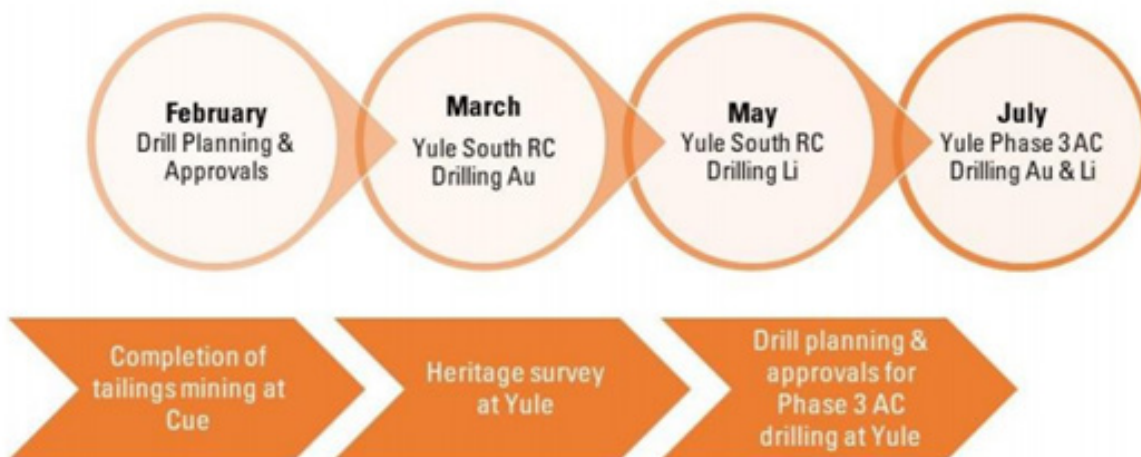
***The Hemi deposit discovery and the subsequent exploration activities have boosted DEG's market capitalisation to ~AUD 1.14 billion (as on 12 February 2021) with the share price multiplying 20X in 2020.***



## Golden State Mining Uncovers Strong Anomalies at Yule

The gold exploration credentials of Golden State Mining's presence in the Pilbara region can be attributed to several key geological ingredients including the enviable address within Archaean Mallina Basin, an intrusive geological setting and the primary and secondary structural environment with deep plumbing. Notably, the Yule Project has all these critical ingredients.

The recent reconnaissance aircore drilling programs at Yule have intersected significant gold and arsenic anomalies with broad zones of strong alteration. Additionally, Golden State Mining plans to undertake an RC and diamond drilling program in 2021, targeting the high-quality follow-up targets and interpreted structural corridors identified from the re-processing of recently acquired aeromagnetic dataset.



Upcoming Activities at Yule (Source: GSM ASX Update, 17 February 2021)



Image Source: © Shutterstock.com

## **Golden State Mining has also unveiled its major exploration plans for the upcoming six months at the Yule project.**

**Gold Targets** - The explorer is set to undertake a 2,500m follow-up RC and diamond drilling program at the gold targets delivered from the recent AC campaign. The drill program is anticipated to commence in March 2021, subject to statutory approvals.

**LCT Pegmatite Targets** – A 1,500m RC drilling program has been planned to target the four LCT pegmatite prospects from the lithium pathfinder analysis during the phase 1 and 2 of the AC drilling programs. The drill program is expected to commence in May 2021, subject to statutory approvals.

**Phase 3 AC Drill Program:** Moreover, the explorer has planned a 15,000m phase 3 AC drill program to deliver additional gold and lithium targets for further testing by future RC drilling programs, at the recently granted exploration licence (E47/4343) and application (E45/5570) at Yule East. The drilling program is anticipated to commence in July 2021, subject to statutory approvals.

***In essence, Golden State Mining continues to forge ahead at the Yule project with focus on a potential major gold discovery, which is expected to skyrocket the market cap of this tightly held company, and potentially surpass the success story of DEG.***

## 5. BITCOIN GOES 5X IN 5 MONTHS, WHAT TURBOCHARGED THIS RALLY?

Due to huge surge in demand for Bitcoin, the bellwether of the crypto space, the digital currency's price has surged past the never-before-seen level of USD 58,000. However, what is more interesting is that the gigantic rally, which started from USD 11,000 all the way to USD 58,000, took only about five months.

The rally might not seem much of a big deal to those who have

witnessed the euphoric Bitcoin bull run in 2017 and may mistake it to fade away just as the bear run in 2018. However, this rally has been stretched far beyond many market participants' wildest expectations.

Post setting new highs, recently Bitcoin witnessed sharp drop in prices, as investors booked profit. The volatility is bringing to life the memories of 2017-18 price action.

### Is the current rally different from the previous ones?

The answer lies in the fundamental developments in the crypto payment landscape, leading to unprecedented institutional

demand. Let's have a look at recent significant developments in the crypto space that has fuelled this rally.





- **8 October 2020 – Square pumps USD 50 million in Bitcoin**



**Twitter CEO Jack Dorsey's firm Square revealed that it had bought a total of 4,709 Bitcoins for an aggregate price of around USD 50 million. That was about one per cent of the company's total assets as of the end of the second quarter of 2020.**

- **21 October 2020 – PayPal allows to accept cryptocurrency as a mode of payment**



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**PayPal Holdings Inc (NASDAQ:PYPL), the juggernaut in the digital payment landscape, joined the cryptocurrency by allowing its customers to buy and sell Bitcoin and a few more cryptocurrencies using its digital wallet. It also went one step further by accepting these currencies as a payment option across its 26 million merchants worldwide.**

- **24 November 2020 – Pental Group started investing in Bitcoin**



***One of the prominent investment managers in Australia, Pental Group Limited (ASX:PDL), shook the markets when it declared it had started making positions in Bitcoin “just as it did with gold for years.” This move fueled the hottest debate of “Bitcoin vs mighty gold.”***



- **5 January 2021 – JP Morgan eyes USD 146,000 for Bitcoin**



***JP Morgan surprised the crypto world by sticking its neck out and calling a mind-boggling target of USD 146,000 for Bitcoin when it was trading near USD 33,000, projecting an upside of around 350 per cent.***

- **8 February 2021 – Tesla goes on Bitcoin buying Spree**



***Tesla, the largest automaker in the world, announced that it had bought Bitcoin for a massive sum of USD 1.5 billion. According to the company, it provides them with a better return on cash. However, its move to start accepting Bitcoin as a payment option too was the icing on the cake.***

- **20 February 2021 – Elon Musk crashes Bitcoin, saying “seems too high”**



***It's a no brainer that the world's second richest man "Elon Musk (as of 24 February 2021) literally moves the market with his tweets. After his tweet on Bitcoin and Ethereum saying "BTC and ETH seems too high" Bitcoin crashed by over 15% in two trading sessions.***



- **24 February 2021 – Square ramps up its position with additional USD 170 million**

*Square declares that it has made another tranche of investment worth USD 170 million, more than triple to that of its initial investment. The company has purchased 3,318 Bitcoins for an average purchase price of USD 51,236, showing a remarkable confidence in Bitcoin's future.*

*These developments show the payment landscape of the cryptocurrency is rapidly changing, and the world has started making groundwork for a move towards a decentralised payment mechanism. The sheer institutional demand for Bitcoin is clearly overshadowing the retail demand. With Bitcoin market capitalisation crossing USD1-trillion dollar, it becomes hard for asset managers to not study the changing dynamics and its repercussion in the future.*

**So, could it be different this time?**



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## 6. UPCOMING IPOs & EVENTS IN AUSTRALIA

Despite the massive economic impact of COVID-19, the Australian IPO market managed to turn the

corner, bouncing back strongly in the second half of 2020.

### IPO Market Picks Up Steam in 2H 2020, momentum to continue in 2021

According to a report released by the ASX, there was a 23% increase in new listings in 2020 at 113. However, there was a 23% drop in the capital raised through IPO at AUD 5.3 billion. The market value of new listings, including IPOs, direct listings, spin-offs, and dual listings, increased by 148% YoY at AUD 35.7 billion.

Barring one, all the sectors (as per Global Industry Classification Standard) witnessed IPOs, with the materials sector leading the way with 31 new listings. The

technology and healthcare sectors followed next to count among the top three spots with 19 and 13 IPOs.

The momentum gained in the second half of 2020 is likely to continue in 2021 as the inoculation drive begins in Australia. The IPO pipeline looks promising, and with a gradual improvement in the market sentiment, market participants would find several opportunities as multiple companies look to make their ASX debut.



The following list of companies are slated to debut on the ASX in March 2021:

Company Name	Focus	ASX Code	Issue Price	Date
Airtasker Limited	Online marketplace	ART	\$0.65	22 Mar 2021
Bastion Minerals Limited	Mining	BMO	\$0.20	17 Mar 2021
Cosmo Gold Limited	Mining	CSM	\$0.20	24 Mar 2021
DDH1 Limited	Mining and exploration	DDH	\$1.10	8 Mar 2021
Firebird Metals Limited	Mining and exploration	FRB	\$0.20	8 Mar 2021
Juno Minerals Limited	Mineral exploration with a primary focus on exploration for iron ore	JNO	\$0.25	11 Mar 2021
Peregrine Gold Limited	Mining and exploration	PGD	\$0.20	22 Mar 2021

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From the table above, it can be noted that a majority of IPOs (six out of seven) lined up for March are from the mining and mineral exploration industry.

Last year, the resources sector was hit hard due to the COVID-19 pandemic. However, with continuous operational developments for

multiple companies from the sector, there is hope for a rebound in 2021.

Commodity prices have witnessed an uptrend, especially in the case of base and precious metals. With an improvement in the prices, the outlook of the metals and mining sector looks bright.

## Upcoming events in Australia

A slew of critical announcements is expected in the first half of March that will show how the economy has performed recently and the planned fiscal and monetary policies. Below is the list of the upcoming events:

Government Agency	Upcoming Event	Brief Description	Date
ABS, Australia	Building Approvals, Australia	The data cubes present Building Approvals data for small geographic areas	10 Mar 2021
	Provisional Mortality Statistics	Provides an article specifically on Victorian mortality from all causes during the pandemic	10 Mar 2021
	Residential Property Price Indexes	Estimates of changes in residential property prices and the total value of Australia's dwelling stock, and preliminary housing market activity	16 Mar 2021
	Labour Force, Australia	Headline estimates of employment, unemployment, underemployment, participation, and hours worked from the monthly Labour Force Survey	18 Mar 2021
RBA	Board meeting	Monetary Policy Meeting	16 Mar 2021
ASIC	Speech at Review Business Summit	Deputy Chair Kare Chester would speak at the 2021 Financial Review Business Summit	10 Mar 2021
	Select Committee on Mental Health and Suicide Prevention	Discussion on Mental Health and Suicide Prevention	24 Mar 2021

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