



News from the Coal Mine

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Drone Technology

The rapid growth and development of drone technology has brought the industry into the public spotlight, with regulators scrambling to keep up. Drones have many business and leisure uses, but can also be exploited for criminal purposes. The recent assassination attempt of Venezuelan President, Nicolas Maduro has highlighted the need to detect, monitor and electronically control drones.

Two drones, each carrying 1kg of C-4 plastic explosive (50m blast radius) were meant to be detonated near the President during a nationally televised address. One drone was steered off course by the military with the second exploding nearby. The professional-grade drones used were allegedly DJI M600 models, priced at \$7,900 each and available for the public to purchase. Their low price and ability to carry a heavy payload makes them ideal for coordinated attacks.

"THE TECHNICAL CHALLENGE OF DEFENDING A HEAD OF STATE IN A PUBLIC VENUE AGAINST A SMALL DRONE CARRYING EXPLOSIVES IS MUCH GREATER THAN THAT OF BUILDING ONE." TODD HUMPHREYS, UNIVERSITY OF TEXAS

A DJI drone was used by Yasuo Yamaoto to land a container of radioactive sand, affixed with a warning sticker, onto the roof of the prime minister's office in Tokyo in 2015 to protest Japan's pro-nuclear policies.

In July this year, a notorious French gangster named Faid escaped from a prison south of Paris using a hijacked helicopter. Authorities believe that several reconnaissance missions were performed by drones which had been spotted flying around the prison in the months before the escape. The aerial view from the drone would have given Faid's team the ability to pinpoint the location of doors, alarms and video cameras.

Drones are also being used to fly around city buildings, casinos and company headquarters in an effort to penetrate weak wireless environment's and perpetrate cyber intrusions.

Hobby drones are used to transport contrabands such as drugs and weapons into prisons. The FAA has restricted drones from flying within 400 feet of prisons within the US, but there is a growing demand for a comprehensive aerial-protection system. The probability of detecting and preventing incidents such as the above would rise if proper radar systems were in place.

Current

Unlisted

Opportunity

Sensing Products

Sensing has developed Micro Doppler radar to detect small objects thrown or travelling into restricted air spaces. Unlike other commercially available systems, Sensing utilizes a deep-learning algorithm to map out Unmanned Aerial Vehicle (UAV) trajectory, destination and point of origin (they are able to track thrown objects as well). This detects objects ignored by, or invisible to other commercially available radar systems.

Sensing has two products in this area. Osprey Air has been developed for medium range UAV detection (200m to 700m). Osprey Sky is the long-range transmitter version and can detect UAV's in the 750m to 1500m range. Osprey technology is therefore suitable for drone detection at all large public spaces, sporting venues, embassies or campuses.

Sensing is currently undertaking a seed funding round to roll out the thrown object and drone radar solutions across prisons in NSW and to accelerate growth globally. If you are interested in participating in this seed round, or would like more information please contact Canary Capital at support@canarycapital.com.au **This opportunity is restricted to current section 708 professional and sophisticated investors only.**

Mobilicom, MOB.ASX – Daily Chart

MOB:ASX

Technically, Mobilicom has strong support at 7.4c and breaks out above 8.9c





MOB – Mobilicom

Mobilicom (MOB:ASX) is an expert technology company providing 4G/Mobile Mesh communications solutions without the need for existing infrastructure. Mobilicom operates two separate business entities: Mobilicom, which services the Government & Enterprise sector, and Sky Hopper, which services the Commercial and Industry sector.

Since listing in May last year Mobilicom has exceeded all

milestones it set at IPO and has shown strong revenue growth QoQ. Mobilicom has established strong relationships (including device integration) with 45 commercial drone manufacturers, including 10 announced design wins. Design wins represent a manufacturer including, exclusively, the Mobilicom technology in their drone production.

With a strong cash balance (\$6.6m, Jun 30), a market cap of \$17.2m and 217m shares on issue, Mobilicom is well positioned to execute its growth strategy which should lead to a re-rating of the stock.

Mobilicom is listed on the ASX. You should always consult your financial advisor before taking any action based upon any information contained within this newsletter.

SPI Weekly Chart

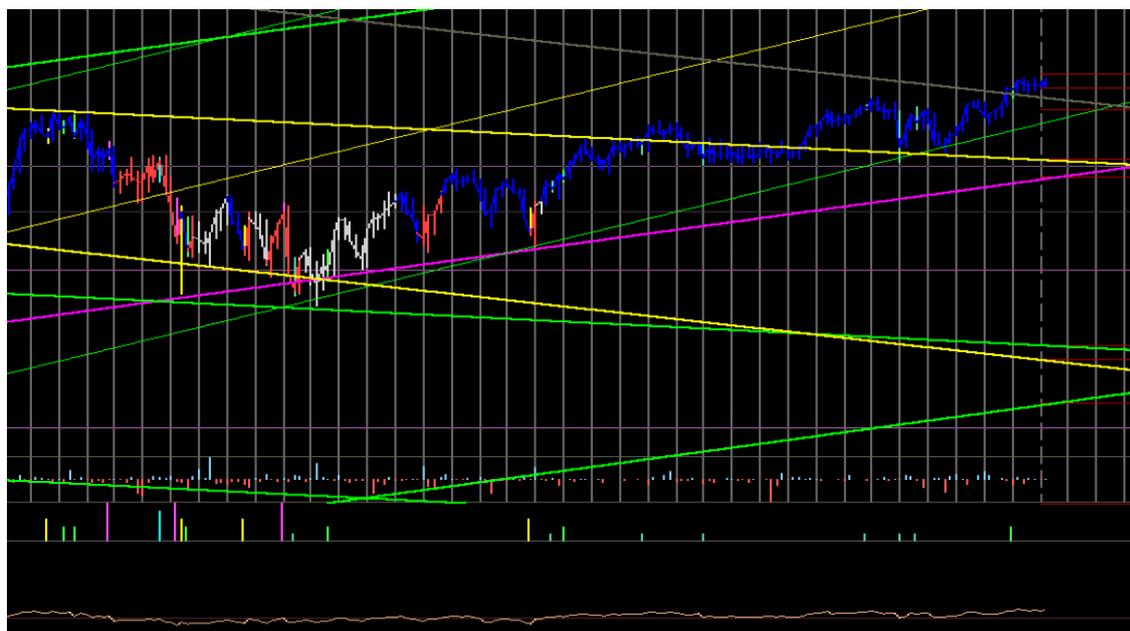
Major support is at 6060 on the SPI, with secondary support at 5990. A close below this on a weekly basis will turn the market bearish. As long as this support holds, we remain bullish the market on a technical basis. We believe a break of 6310 is further confirmation of the bullish outlook and a break above 6540 to be the start of the next major upward move.

Currently, the major stocks are outperforming the small caps in all sectors. One of the factors providing support to the Australian market has been the sell-off in the AUD. We believe that the USD will strengthen for some time, and a break of 96.30 in the USD index will signify the next major up-move in the US dollar index. This will result in continued weakness in commodities, in general.

Money will flow into stocks where it finds liquidity and countries where it is treated the best. The situation in Turkey is of some concern. Europe holds considerable sums of Turkish debt. Further deterioration in the Turkish Lira will have ripple effects which can spread to emerging markets and currencies. This fact, along with the continued trade wars will in our opinion, will underpin the rise in the US Dollar at least until the November mid-term elections.



Major support on the SPI is at 6060 with resistance at 6540, we believe a break above this will signal the start of the next major upward move



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