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The military took over the government, headed by Col. Assimi Goita, a Malian military officer who declared himself provisional leader of the country. The move was popular with the people who have been protesting about corruption and a poor economy since June.

The news of the coup lead to the share prices of the few gold miners operating in the country to fall, but as the situation is calm, maybe there is an opportunity for investors here if it remains peaceful?

The miners operating in Mali are few, but most are well known to gold sector investors:

B2Gold - TSX: BT0

Anglogold Ashanti - JSE: ANG

Resolute Mining - LSE: RSG

Cora Gold - LSE: CORA

Hummingbird Resources - LSE: HUM

So, the coup has happened, and as expected there has been international condemnation, but no action. The military are firmly in control, and, as Mali has suffered other coups in the past, this one may well succeed as well, in my view.

With the fall in share prices of those producing gold miners making them look undervalued, they are attractive to value investors. In the medium term provided the situation remains calm, one would expect these miners to revert to the mean, with their share prices rising back to the point where they are valued on fundamentals, rather than on political uncertainty.

On that basis investors with an appetite for risk will be casting their eye over the mining companies listed above whilst they are undervalued due to the uncertainty of the moment.

Mali of course has other problems, with muslim terrorists on their northern borders, but the mining companies will tell you they are all operating in the south, far away from the trouble in the north, which is true of course.

Should that trouble move closer, that may be a risk too far for even brave investors, but until does Mali still looks a reasonable country for miners to work in. City Investors Circle is based in the financial district of the City of London.

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