

Mining news – Sunday roundup



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Colonial are participating in the Australian APAC mining conference next week, so one would hope to see the rise continuing as people there become aware of the undervaluation of the company versus its assets in the ground, 780 million tons of premium coking coal.

Of particular note is the fact that Colonial are rising despite a very low coking coal price, due to industry shutdown because of covid-19. Now that China is ramping its industry back up a higher coking coal price looks inevitable as steel production rises.

[Fosterville South \(TSX.V: FSX\)](#) released some impressive debut drill results from their initial program at Golden Mountain.

These included 18 m of 5.34 g/t Au, and close to surface, an excellent start. Core drilling has commenced and is ongoing at the Golden Mountain project with initial assay results from core drilling expected during the next 30 days.

In the meantime, a series of shallow scout holes have resulted in the discovery of a new North zone on the project, with initial near surface drill holes in this new zone intersecting multiple wide intervals of high-grade gold. [Read in full](#)

03 Mining (TSX.V: 0111)

The newly established third generation of the Osisko mining dynasty, closed its previously announced “bought deal” brokered private placement, for impressive gross proceeds of approximately C\$40.2 million.

The fact that they could raise such a sum indicates the prospectivity of their exploration targets in a prolific gold belt in Quebec, surrounded by first class neighbours.

Gold rose from \$1721 to \$1742, despite a rising US dollar, up 0.3% week on week. Silver rose 50 cents, as it tracked gold higher. This is despite fears that lower industrial silver usage will result in a glut of supply and falling prices. Unlike gold, silver can be effected by lower industrial production.

Copper edged slightly higher again, as the market realises that increasing EV production will increase demand for the metal exponentially. There may be some disruption to copper supply in the near term as Chile is suffering badly with covid-19, as is neighbour Peru.

Junior mining financings slowed down somewhat, excepting the large CAD\$45 million 03 Mining bought deal announced last week, and noted above. Possibly the period of easy money is coming to an end after a spate of financings recently, despite wobbly markets.

Iron ore prices continue to rise due to lower exports from Brazil, due to the horrific covid-19 crisis that is effecting that country.

Following my note last week about bankrupt us company HERTZ running an **IBO, "initial bankruptcy offering"**, common sense has finally prevailed, and it has been cancelled.

Investors left holding the new stock when trading ceased would have lost everything, the IBO would have only created money for bondholders, who are senior to equity holders for any remaining funds.

This total farce has damaged the US equity market in my view, as it was totally ridiculous to IBO stock that would have not benefited those that held it. One has to question the integrity of the judge that allowed this to be approved in court.

Disclosure

The writer holds shares in all the companies mentioned in this article, all bought in the market at the going market price at the time of purchase.

The opinions written here are my own, and I did not receive any payment nor inducement to write this article.