Mining news – Sunday roundup



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week, and to a lesser extent silver, as the US' astonishing jobs figures took everyone by surprise, resulting in a Friday market rally and a selloff of gold, as hopes of a 'V' shaped recovery took hold in Wall St.

Base metals enjoyed another rise as recovery hopes took hold, but there are supply chain issues, and I fear the assumption of a quick recovery is a dangerous one. I cannot possibly see how the virus pandemic, lockdown, massive loss of jobs, and now riots in major US cities, can equate to the NASDAQ and S & P 500 nearing all time highs!

This looks to be irrational exuberance in the extreme, and must surely end badly at some point?

Despite gold falling on this "good news", I feel this may be another opportunity to buy gold stocks on the dip, before the next leg up.

Iron ore prices in particular rose again to $100, although that seems to be a resistance point. One reason for the higher price is supply concerns, due to the effect of the covid virus on Brazil, a major supplier.

Generally LME stocks of base metals reduced during the week, although 'unwarranted' stocks are not concluded in these figures, so not exactly totally transparent.

The price of coking coal remained weak, despite the increase

in steel production in China.

I attended the virtual 121 Conference this week, and 'met' several companies that I liked the look of. My current strategy is to focus on producing or financed to production gold juniors, although I'm willing to listen to a strong drilling story, if financed and in a good jurisdiction. Avidian Gold (AVG.V) falls into that category with projects in Alaska and Nevada, and a strong management team.

I particularly liked Westhaven Ventures (WHN.V), who are drilling in July, and should have results fairly soon after. Their projects are in B.C., and previous high grade intercepts caused a staking rush around their claims.

I also liked London listed Shanta Gold (SHG.L), who are doing everything right in Tanzania, but need to rid themselves of their hedge, which should happen before the end of 2020. At that point, I will be having a close look at investing in what looks like an undervalued story.

Maverix Metals (MMX.TSE) are a gold streaming and royalty company I had not met before. After listening to the management present their achievements to date, and looking at some of the large players backing them, (Newmont 25%, Pan American Silver 23%), I feel this could be a long term investment, the sort of stock you don't need to check the price on a daily basis, as it will add value over time. Management seem very competent.

Despite the recent bounce in the US markets, I do not buy the quick recovery theory personally, I feel we are due for a lot of pain in the coming months, and remain bullish of gold and silver, and bearish of base metals, plus platinum, and palladium.

Stay safe and well.