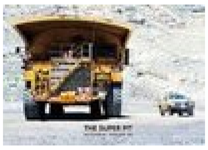
Mining News – Sunday Roundup Aug 16



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Gold lost $200 in a single day, down to $1,850, before regaining around half the loss in the last couple of days trading. Silver is around $3 per ounce off the recent top, still a good performance in the last couple of weeks though.

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Gold and silver were once again the story of the week, as they suffered some sudden volatility after a strong run upwards. After a strong rise it had probably approached the point where investors could only see a rising price, and that's the danger point, when the market pounces on those that cannot see a downside. (Remember Bitcoin at $20,000 and all those prophecies of $100,000 by Christmas?).

Warren Buffet probably provided the biggest surprise of the week, as the eternal critic of gold investment announced he's invested in Barrick Gold, buying 20.9 million shares, and sold down stakes in several US banks, including Wells Fargo, and JP Morgan. This is a huge volte-face by the sage, as he clearly now sees risk in the banks, and gold the safe haven to move his money into.

The investment in Barrick is worth $563 million, or around 0.3% of Berkshire Hathaway's holdings. It will be interesting to see if he adds any further investments in gold.

Precious Metals

Gold lost $200 in a single day, down to $1,850, before regaining around half the loss in the last couple of days trading. it finished around $1944, so still looking healthy, just a bit of the froth has been blown off, not a bad thing really.

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Stocks

The week was somewhat volatile for the stocks we follow, but after gold bounced those that had fallen largely rallied, so much of the damage has been fixed. Colonial Coal (TSX.V: CAD) had a strong week, rising 14% on the back of hardening coking coal prices in China. Orla Mining (TSX: OLA) rose another 5% to a new all time high of C$6.94 with good volume, and confirmed receipt of the important EIS permit on Friday, one of the few remaining hurdles before production commences in 202011. Minera Alamos (TSX.V: MAI) also rose 5% as they progress towards production in Q1 2021.

Some that struggled included Fosterville South (TSX.V: FSX), down around 10%, Fiore Gold TSX.V: F), around 5%, and Kootenay Silver (TSX.V: KTN), down 10%. All had benefited from recent good news, so maybe a little profit taking?

Metal prices

Gold……………..$1945

Silver…………….$26.45

Copper…………..$2.89

Nickel…………..$6.40

Zinc……………..$1.07

Copper edged down a tad as global recession fears returned, and Peruvian and Chilean mines came back onstream, rediucing supply concerns.

Iron Ore rose to $115.4 per ton as Port Headland in Australia shipped a record volume of shipments in July, due to increased demand from Chinese mills and ongoing supply concerns due to covid-19.

Nickel remains buoyed by comments Tweeted by **Tesla CEO Elon Musk**, where he is offering *"a very large contract"* for the nickel company that can do as Tesla requires. It is strongly rumoured Tesla have a new high performance battery about to be launched that uses a lot more nickel than a conventional Li-ion battery.

Zinc continues to recover, up around 7% so far this month, as Chinese steel production rises post covid.

I still remain bearish on base metal prices, except nickel (see above).

- Our audience is selected and individually invited, to ensure interest and relevance.
- Meetings are small group, highly focused and engaged, with a lively Q and A to follow the main presentation.
- We create awareness, and maintain interest in presenting companies by disseminating their future news to our entire investor group via email, social media, and our monthly newsletter.

If you wish to present to our select group of active mining investors, please email: **andrew@city-investors-circle.com** for information.