Mining News – Sunday roundup July 19th



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Silver, up 8% during the month so far, is grabbing the headlines this week, leaving gold (up 2%) in the shade for a change.

On the industrial front, iron ore prices are rising as China gets back to work building out infrastructure, and severe flooding along the Yangtze River, requiring rebar concrete flood defences to be built.



Typical ancient mining photo from

north America / Canada

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Another decent week for mining investors, as the price of silver finally threw of the shackles and gave us the surge we have all been waiting for. The gold / silver ratio has fallen to 94, still high by historical standards.

I note that the large number of placings continues, and many are still ‘oversubscribed’, so there is still some easy money around for miners to attract. I have my doubts as to how much longer this can last, so any company looking to raise cash should be getting ready to do it now. Markets can turn on a sixpence, and then the current opportunity will have gone, and a much tougher financing environment will replace it.

Stocks

Quite a few companies took a breather after recent rises, which is quite healthy of course, nothing goes up in a

straight line for long. The most notable loser this week was Fosterville South (TSX.V: FSX), where a $4 financing when the market price was $4.90 has blown the froth off, and now the share price has fallen back to the placing price. Quite disappointing near term, but it has enabled FSX to accelerate the Golden Mountain drill program by adding a second rig, so hopefully we might see the benefit of that in due course.

Coking coal prices continue to be subdued, but Colonial Coal (TSX.V: CAD) remain around the recent highs, so it appears that those recent buyers are long term investors happy to wait for their reward, rather than stock flippers looking for a quick turn. Around 80% of CAD's shareholders are institutional and HNWI's, so there's not a lot of stock available to trade in the markets.

Further to my note last week that I am going to cover a few early stage exploration stocks, I have picked a few I personally like, to include:

- GoGold (TSX.V: GGD)
- Cora Gold (AIM: CORA)
- Matador Mining (ASX: MZZ)
- Tristar Gold (TSX.V: TSG)
- Bardoc Gold (ASX: BDC)
- Metallic Minerals (TSX.V: MMG)

This is a junior watchlist, a sort of Gm Vauxhall Conference to the main list of stocks we follow. I like all these stories which I have met (virtually) recently.

Cora Gold is an AIM listed stock, and I surprised myself by liking an AIM story, which is gold in Mali, and they have a

$21 million finance package in place, so they are in on merit.

They are all gold stocks and I make no apology for that, gold is running and therefore I want to go with the flow, it's easier to swim with the tide rather than against it.

ETF Indices

- GDX…….38.4…….+31.5% YTD
- GDXJ……53.0…….+25% YTD
- SIL,……..41.04.……+12.52% YTD
- SILJ…….13.54……+3.22% YTD

Metal prices

- Gold $1810
- Silver $19.35
- Copper $2.90
- Nickel $6.01
- Zinc $0.99

Copper continues to increase due to withdrawals from the LME and Shanghai warehouses, and supply chain fears as some Chilean mines are closed due to covid-19, or for pay strikes.

It should be noted that all Peruvian copper mines will be active next week, which may stat to negatively impact the copper and silver prices soon.

Iron Ore rose 8% due to supply concerns from Brazil (covid-19), and rising Chinese demand.

It remains to be seen how base metal prices will perform as

there has surely to be a reduction in demand due to the covid induced world recession that looks imminent.