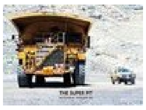
Mining News – Sunday Roundup Sep 27th



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Copper stocks continue to fall in warehouses, as suspicions grow the Chinese are building a strategic reserve of the metal. Iron ore prices slipped back on better supply.

Is manganese the new ‘hot’ metal? Tesla’s “Battery Day” disappointed, with manganese miners possibly being the only winners, as a battery replacing cobalt with more nickel plus manganese was announced. About 18.5 million tonnes of manganese are produced globally annually, and demand for the metal has been growing significantly in recent years. South Africa and Australia are the top two manganese mining countries.

As cobalt is mainly supplied by the dreaded DRC, and that supply is tainted by allegations of child forced labour, this is a good move in my opinion.

Tesla also announced their intention to vertically integrate their battery production process from mining the required materials to actually manufacturing their own batteries, spooking the miners that hoped to supply Tesla through to those that currently produce their batteries in the process. I wonder if that’s a shot across the bows to bring everyone in the process to heel and do their bidding?

Most juniors had a poor week share rice wise, but “*there were a few positives*“, as losing football managers often say.

Precious Metals

A poor week for the PM’s, with gold taking a battering, due to US dollar strength, as mentioned above. Silver also got walloped, down $3,93, or around 15%. Even Palladium joined the wake, losing around 5%.

Gold	1862 ↓

Silver	22.88	↓
Palladium	2224	↓

Base Metals

Copper fell back slightly after the recent strong run, despite reports of LME stocks being low and the Chinese buying to create a strategic reserve. LME stocks are reported to just hold a few days worth of supply currently, although there may be some unwarranted supply.

Nickel and zinc both also fell around 5%.

Copper	2.87	↓
Nickel	6.43	↓
Zinc	1.08	↓

Stocks on our watchlist

Gold Road (ASX: GOR) was in the news twice this week as they announced record production and revenues for Q2 2020, and then advised they would miss guidance for Q3 due to a mill bearing failure, and unscheduled downtime.

Zen Graphene Solutions announced a viricidal mask to protect against Covid-19 with 99% efficiency. This will be an exciting time for Zen, if this is proven to work, and sales respond accordingly.

Cabral Gold (TSX.V: CBR) has also risen strongly recently, to a new all time high. Cabral are now positioning their drill rigs to try and expand the resource at Cuiu Cuiu gold district in Para State, northern Brazil.

We are initiating Coverage of *Red River Resources (ASX: RVR)*, and *Alice Queen (ASX: AQX)*, both Australian explorers and developers at interesting stages of development.

City Investors Circle is based in the financial district of the City of London.

We present selected interesting and exciting junior mining companies listed on the ASX, TSX, and TSX Venture exchanges, to a group of city professionals, HNWI's, and private investors, all of whom are active investors, with a mandate to invest in junior mining companies. The format is round table style.

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