# Mining Review 7th July 2024

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It’s been a bad couple of weeks or so for a few mining companies, with some investment changing news coming out of the blue.

Firstly Red Pine admitted their drill results has been “manipulated” over a number of years by the then COE, then Victoria Gold suffered a catastrophic collapse of it’s heap leach pad in Canada, and then Calidus Resources, a producing gold miner, called in the administarators.



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It really has been a fortnight to forget for the mining scene, with some truly awful news emerging about several mining companies in both Australia and Canada.

**Red Pine Exploration (RPX.V)** led the way with **this announcement**, where they withdrew their previously announced 43-101 drill reults for several years.

A few days later Red Pine updated the market, **see here**, where they mention their former CEO as having altered the data from the labs before forwarding to the company's staff.

Needless to say, the share price crashed from 22 cents to around 8 cents, where it remains today. RPX are trying to limit the damage by preparing another 43-101 including more recent drill holes to make up some of the inevitable loss to the previous 43-101 that included altered data.

The issue for RPX is simply they need to do a fundraising, and nobody with any sense will invest until that has been done, and an updated Mineral Resource issued. I suspect that raise will be very painful for existing holders.

**MacDonald Mines (BMK.V)** then withdrew their drill results. due to the RPX former CEO having help the same position with them for a number of years, ending in 2021. They are concerned about some drill result data being altered, and their share price is down, although this is a thinly traded stock.

We then move on to Victoria Gold, a successful gold miner in production in the Yukon near Keno.

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On the 24 June, **Victoria Gold VGCX.TO)** announced a "heap leach incident" (**see here**, which sounds innocent enough, and reads like they have had a little local difficulty.

Then pictures of the "incident" went public, and they showed the full extent of the disaster that had unfolded. It was not

a pretty picture, as there has been a large collapse of the HLP, some two million tons.

**A video is here**, listen from 42 minutes for about 5 minutes.

On the 4th July, Victoria issued an update, **here**. *"The company advised that it has received notices of default from its lenders under the credit agreement dated Dec. 18, 2020. Production remains suspended with previous 2024 production and cost guidance forecasts retracted."*

The share price has fallen from C$7.40 to 88 cents. I would suggest this looks very possible the company may go under from this position. A financing may be required, and one wonders at what price they could achieve that, if they can of course, with mining suspended?

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And finally, **Calidus Resources (CAI.AX)** announced last Friday they had called in the administrators, which prompted the shares to be suspended from the ASX.

Calidus is a producing gold miner, and with the gold price at record levels, this announcement came as a shock. They have had production startup issues, which are being overcome, and recently restructured their debt and hedge position to allow them to mine profitably.

As a shareholder, I have written of my investment here, I don't expect to see any funds remaining after the administrators and debt holders have finished selling off the assets.

If I'm wrong, I will look at that as a bonus.

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This is the first time I may see the total loss of an investment, and it hurts because they looked to have overcome

their issues just a short time ago. Fortunately this was a small part of my portfolio, as I use position sizing to avoid taking a large hit on any one loss.

*News releases from companies on our watchlist released last week are listed below, click on the links to read the full story.*

**Skeena Resources Announced Positive Judgement By The BC Appeal Court**

**Orla Mining Filed A Request for Arbitration Against Panama**

**Wesdome Gold Extended High Grade Mineralization Across Multiple Zones**

**Ascot Reports Q2 2024 Production Results and Commissioning Update**

**Orla Mining Reported Positive Drilling Intersections at Camino Rojo Sulphides**

**Calidus Suspended and Administrators Appointed**

**Market Review for June 2024 published**

Click here for all company news archives

**Market Data**

**Weekly Price changes**

**(US$ unless stated)**

| Metal Prices | Price | Weekly % change |
|---|---|---|
| Gold price in UK £ | 1870 | 0.22% |
| Gold | 2392 | 0.22% |
| Silver | 31.24 | -1.39% |
| Palladium | 1035 | 4.97% |
| Platinum | 1042 | -0.10% |
| Rhodium | 4650 | 0.00% |
| Copper | 4.41 | -2.95% |
| Nickel | 7.69 | -1.67% |
| Zinc | 1.34 | 1.56% |
| Tin | 15.06 | -1.49% |
| Cobalt | 12.02 | -0.17% |
| Manganese | 4.82 | 1.12% |
| Lithium | 12038 | -2.30% |
| Uranium | 85.5 | -0.35% |
| Iron Ore | 113.1 | -0.56% |
| Coking Coal | 214 | -19.81% |
| Thermal coal | 134 | -2.59% |
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| **Metal ETFs** | **Price** | **% change** |
| GLD | 220.93 | 0.11% |
| GDX | 36.27 | -0.26% |
| GDXJ | 45.09 | -1.16% |
| Sil | 33.29 | -2.49% |
| SILJ | 12.12 | -2.68% |
| GOEX (PCX) | 29.66 | -1.79% |
| URA | 29.69 | -2.46% |

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|---|---|---|
| COPX | 48.05 | -0.15% |
| HUI | 284.04 | 0.24% |
| Gold / Silver ratio | 76.57 | 1.63% |
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Meetings are non deal, 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 Review newsletter.

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

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