

Mining Review Sunday Roundup 24th Jan



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The US inauguration of Joe Biden passed peacefully, thankfully calm heads prevailed.

He will now commence reversing the actions of Trump, which will include restricting thermal coal mining in the US, and the oil pipeline from Canada.

Gold had a better week, but is still oscillating around the \$1,850 resistance level.

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The US inauguration of Joe Biden passed peacefully, thankfully calm heads prevailed. The additional security brought in was dispatched to an underground car park to pass the night! An apology has now been given...

Gold had a better week, but is still oscillating around the \$1,850 resistance level, as investors are unsure as to when the coming inflation will arrive. Gold ETF's suffered two months of withdrawals in November and December according to the World Gold Council.

Base metals were having a strong week until Thursday when the market started to become concerned about the increasing Covid infection rate in China, and the potential for a reduction in demand whilst Hebei province, an industrial heartland, is locked down.

To put it into context, the USA has been reporting around 200,000 infections per day, with a 340 million population, and China is now reporting around 100 infections per day with a population of 1.4 billion! The Chinese trend is definitely up, but surely not too much of a concern unless the numbers rise exponentially from here?

Bitcoin and **Crypto** suffered an awful week after Janet Yellen made some unfavourable remarks about crypto “being used by terrorists”. Bitcoin fell \$3,700 per coin to finish at \$32,000. Other cryptos fell a similar amount.

Stocks on our watchlist in the news

[Tinka Resources](#) drilled 39m of 9.3% zinc at Ayawilca, in Peru.

[Ascot Resources](#) reported additional gold mineralisation the the Day Zone at their Premier Mine project in the Golden Triangle, B.C., extending the area of known mineralisation 150 km.

[Cornish Metals](#) reported that Osisko Gold Royalties have agreed to convert their C\$7.17 loan into a royalty. This is a vindication of their confidence in the project.

[Radisson Mining](#) reported high grade gold intercepts including 14.9 gpt Au over 14 metres at the O’Brien project at Cadillac Break, Abitibi Gold Belt, Quebec.

[Bardoc Gold](#) reported high grade gold intercepts from drilling at their Zoroastrian and Excelsior deposits at the Bardoc Gold Project, near Kalgoorlie, in Western Australia.

[Gold Road Resources](#) published their Quarterly Report for December 2020 for their 50% owned Gruyere Mine near Laverton, Western Australia. Gruyere delivered annual production of 258,173 ounces for the 2020 calendar year to meet annual production guidance.

Precious Metals

Gold and silver moved up on the week as the US dollar weakened slightly, and inflation fears resurfaced. Unfavourable comments on Bitcoin may have led some investors to switch to the traditional safe haven.

Palladium and Rhodium both fell on news that car production in China is being constrained due to a shortage of microchips for the engine management systems, and fears of reduced production in Hebei province, due to the covid lockdown.

Gold	1854	↑	1%
Silver	25.47	↑	3%
Palladium	2363	↓	-1%
Rhodium	20500	↓	-3%

Base Metals

Were riding the crest of a wave most of the week, as confidence in Chinese GDP growth drove prices higher, along with US\$ weakness, then came the news that China had suffered a few days of around 100 covid cases per day, and the market sold off as fears of production cuts and lockdowns concerned dealers.

Copper	3.65	↑	1%
Nickel	8.33	↑	2%
Zinc	1.23	↔	0%
Iron Ore	167.6	↓	-1%
Manganese	3.8	↔	0%
Coking Coal *	205	↔	0%

* N.B. The coking coal price above is a mid price between the Australian FOB price, and the spot price quoted by the Dalian Commodity Exchange in China

Precious Metals ETF's

Recovered some ground after last week's bloodshed, but the junior silver index SILJ took a hammering, falling 6% week on week.

GDX	35.23	↑	2%
GDXJ	50.34	↑	2%
Sil	42.62	↑	2%
SILJ	14.59	↓	-6%

The Mining Review is complete for another week.

Disclosure

The writer owns Ascot Resources, Bardoc Gold, and Gold Road shares, all bought in the market, at the prevailing price, on the day of purchase.