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Colonial Coal – Coking coal project locations in the prolific Peace River Basin, British Columbia, Canada.

## City Investors Circle Mining

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It's never good to wake up in the morning to learn that the price of gold has fallen \$80 overnight in Asia, and so last Monday was one such day, and a very bad start to the week.

The cause was stated to be the good US employment numbers on Friday evening, which started the slide in the gold price, and then Bullion Banks placing 20,000 short contracts into thin trading in Asia on Sunday evening, causing stops to be hit and leveraged positions covered.

Gold has since recovered all of the losses, and finished a tad higher on the week. Silver didn't fare so well, and lost 3% as the gold / silver ratio starts to rise once again.

Moving on to lithium, one of the key global producers of lithium brine is Albermarle, in the Atacama region of Chile. Albemarle produce around 28% of global lithium production, equating to around 12% of Chilean GDP, and employ around 550 staff at two sites in the Atacama.

Albemarle's Chilean workforce has just walked out in a dispute over pay and benefits, causing the price of lithium to rise as a shortage is anticipated if the strike becomes prolonged.

Also in Chile, workers at the Adina **copper** mine, owned by Codelco, walked off the job and voted to strike. BHP and JX Nippon also have strikes at the moment, as workers seek to benefit from the increased price of copper.

An immediate thought is, if the copper price falls, would they seek a reduction in wages? Perhaps their remuneration should be placed on a sliding scale linked to the copper price?

Mining stocks have had a hard week after the **gold** "flash crash" early Monday morning during overnight trading in Asia. Most of my favourites are down, including producers like **Fiore Gold** that are profitable and growing organically.

**Orla Mining** suffered a "reduce" rating from broker TD in Canada, although they still see the company in a positive light, the lower price of gold caused their change of stance.

The government of Kyrgyzstan has established enough "evidence" of corruption to press on with removing Canada's **Centerra Gold** from the Kumtor gold mine, see [HERE](#). This looks like it's heading for an international tribunal, but that doesn't help the hapless shareholders of Centerra. Resource nationalism is growing.

## Stocks on our watchlist in the news this week

**Fosterville South** – [Drilled 11 m of 31.34 g/t Au at the Reedy Creek goldfield, Victoria](#)

Neometals – [Successful vanadium recovery trial](#)

Los Cerros – [Step out drilling discovers further extensions at El Tesorito, Colombia.](#)

Colonial Coal – [Tormont Investment Research produced a positive update due to a higher coking coal price](#)

Ascot Resources – [Hit high grade gold during step out drilling NW of the Premier Gold Mine](#)

Bardoc Gold – [Announced a cashflow optimisation to increase early gold production](#)

## Market data

### Precious metals

Gold	1780	1%
Silver	23.73	-3%
Palladium	2576	1%
Platinum	1022	5%
Rhodium	18100	0%

Gold rebounded strongly after the Sunday overnight ‘flash crash’, whereas silver is still falling and the gold to silver ratio is on the rise again. There seems to be no known reason for silver continuing to fall.

Platinum is ringing, possibly on the news that the price differential to palladium is causing some substitution by car manufacturers.

## Base metals

Copper	4.31	0%
Nickel	8.86	1%
Zinc	1.37	1%
Tin	16.6	2%

**Copper** rose strongly on the news that another Chilean mine has suffered a strike, further increasing supply concerns, after the giant Escondida mine and another large Chilean producer reported strike action that is still ongoing.

## Energy metals

Cobalt	23.75	0%
Manganese	2.94	-5%
Lithium	14508	10%
Uranium	32	-1%

**Lithium** rocketed on reports that workers for Albemarle in Chile have walked out over pay and conditions. Albemarle produce 28% of global lithium, so the effect on supply will be significant.

## Bulk commodities

Iron Ore	167.94	1%
Coking Coal	208	6%

# Precious metals ETF's

GDX	32.82	-1%
GDXJ	42.82	-2%
Sil	40.22	-1%
SILJ	13.51	-2%
GLD	166.24	1%

# Miscellaneous

Au / Ag Ratio	74.89	4%
10 yr Tbond	1.36	4%
US index (DXY)	92.51	0%
HUI	254.88	-2%

The Mining Review Sunday Update for Sunday 15th August is complete.

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## **Disclosure**

*At the time of writing the author holds shares in Ascot Resources, Bardoc Gold, Colonial Coal, Fosterville South, Los Cerros, and Orla Mining, all bought in the market at the prevailing price on the day of purchase.*

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