

Mining Review Sunday Update 1st August 2021

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Orla Mining – Camino Rojo vista

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It's been a fair week for gold after the FOMC meeting's dovish stance on interest rates. The surprise was US dollar strength following the meeting, which took some of the shine off the gold rise as it gave up some of the gains late Friday afternoon.

Base metals on the otherhand have had a good run, with **nickel** and **cobalt** in particular rising strongly. **Tin** is still the biggest riser in 2021, but **cobalt** is catching up quickly.

Mining Review companies on our watchlist

Turning to companies on our watchlist, **Colonial Coal (CAD.V)** and **Orla Mining (OLA.TO)** have risen substantially on decent volume after recent weakness.

Colonial Coal fell back on some selling, but that has now reversed and the price has rebounded strongly. Corporate activity is still anticipated here, although Covid has slowed down the process with likely buyers coming from India and China being restricted in travelling to Canada.

Orla Mining is on track to complete their mine and enter production, and it was good to see directors participating in the recent C\$35 million financing, plus Agnico Eagle and Pierre Lassonde.

Mining Review Market Data – monthly figures

Precious Metals

Gold	\$1809	+3%
Silver	\$25.36	-2%
Platinum	\$1036	-3%
Palladium	\$2590	-4%
Rhodium	\$17,850	-11%

Gold was the only positive from an otherwise negative month for the silver and PGM's.

Some car production is halted due to a shortage of semi conductors, and some substitution is occurring between palladium and platinum in catalytic converters, due to the cost difference.

Base Metals

Copper	\$4.42	+4%
Nickel	\$8.94	+8%
Zinc	\$1.36	+3%
Cobalt	\$23.78	+15%
Lithium	\$13,154	+6%

Base metals had a really good month as recent news was positive for them. Copper benefitted from the floods in China, and the threat of strike action at Escondida, the world's largest copper mine, in Chile.

The Chinese government releasing metals from their strategic reserve has not had the desired effect thus far, as metal

prices are still high. **Nickel** continues to benefit from a shortage in Indonesia due to covid restrictions at smelters.

Bulk commodities

Iron ore	\$192	-9%
Coking Coal *	\$208.5	+21%
Thermal coal	\$96.5	+12%

Iron Ore finally retraced from it's recent all time highs, due to a Chinese government restriction on steel production for the remainder of 2021.

Coking coal edged up significantly again, as some Chinese coking coal mines are being subjected to health and safety checks, and are temporarily closed.

** The price used is the Australian FOB.*

Stock Exchanges

The Dow Jones, and the NASDAQ have both recorded all time highs, as money printing continues to push markets higher. This can't end well surely?

Crypto

Bitcoin gained 9% in July, after a turbulent period where it fell to \$30,000, before rebounding strongly. This just makes a mockery of the claims that it could become a serious means of payment, in my opinion. Ethereum looks a better bet due to lower volatility, but it's certainly not stable itself.

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Disclosure

At the time of writing the author holds shares in Colonial Coal and Orla Mining, all bought in the market at the prevailing price on the day of purchase.

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