

Mining Review – Weekly Update

9th May 2021

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A really fruitful week for investor in the mining space, as copper and iron ore have both hit all time highs, as both precious and industrial (base) metals continue to surge.

Higher inflation, combined with a lower Tbond yield, and a falling US dollar are contributing to gold's rise.



Gold nugget.

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Copper and Iron ore have both hit all time highs, as both precious and industrial (base) metals continue to surge in price. This will of course, lead to inflation in time.

Copper prices also rose after Chile's lower house approved a progressive tax system for copper sales, which could potentially lead to a tax rate of 80%, which is double any other major copper producing country.

This is not set in stone yet, and the Chilean government could block this move, but if they don't, inward investment into copper exploration and development projects in Chile will likely reduce substantially, if not dry up completely, in my view.

Higher inflation, combined with a lower Tbond yield and a falling US dollar are contributing to **gold's** rise, up 3% on the week. **Silver** continues to advance at a higher percentage rate than gold, and the gold/silver ratio continues to contract.

Inflation

Whilst governments are ignoring the rising price of food, consumers are noticing the inflationary trend in higher food prices. This inflation is already causing some unrest around the world, and that can only get worse in the poorer nations as families struggle to source enough food.

Inflation is, of course, positive for the price of gold, but the suffering it will cause around the world is not a price worth paying in my view.

Stocks on our watchlist in the news last week

Apollo Consolidated – [Good drill results from recent drilling at their Duchess licence](#)

Tinka Resources – [Reported a high grade tin discovery at their Ayawilca Project](#)

Radisson Mining – [Reported high grade gold intercepts at O'Brien](#)

Cartier Resources – [Optioned their Wilson property to Hawkmoon](#)

Neometals – [Announced a 'stunning' PFS for their vanadium from slag recovery project.](#)

Cabral Gold – [Drilled 3 m @ 13.2 g/t Au at Hamilton Novo, Cuiu Cuiu, Para State, Brazil](#)

Precious Metals

Gold and silver rose strongly during the week as US Treasury Bond yields fell back, and the US dollar weakened.

Rhodium took a hit, but remains much higher than a year ago.

Gold	1831	↑	3%
Silver	27.44	↑	5%
Palladium	2830	↓	-1%
Platinum	1247	↑	4%
Rhodium	25400	↓	-6%

Base Metals

Copper caught another headwind, with the Chilean government's mining tax increases helping to propel the price higher, along with the realisation that EV's are going to require a huge infrastructure build, and that will require an awful lot of additional copper supply in the future.

Copper	4.7	↑	4%
Nickel	7.91	↑	1%
Zinc	1.365	↑	5%
Tin	15.63	↑	15%

Energy Metals

Energy metals, required for electrical vehicle (EV) batteries, have traded sideways for some time now after spiking higher a few months ago.

Cobalt	20.5	↓	-3%
Manganese	3.06	↓	-2%
Lithium	12691	↔	0%
Uranium	28.85	↑	1%

Bulk Commodities

Iron ore up an impressive 12% in a week, yet strangely, coking coal, used in the process of steelmaking is down 12%, although we are using the Australian FOB price, and that may not be the best price to use given their ongoing spat with China.

With such a high iron ore price, indicating higher demand, it is reasonable to expect a higher coking coal price, but it has not occurred yet.

Iron Ore	200	↑	12%	179.31
Coking Coal *	124	↓	-12%	141.5

ETF's

Had a storming week, with an average gain of around 7.5%.

GDX	37.42	↑	8%
GDXJ	51.47	↑	7%
Sil	45.59	↑	8%
SILJ	16.73	↑	9%
GLD	171.59	↑	3%

Miscellaneous Market Data

All down. and the reason gold had a strong week of course.

Au / Ag Ratio	66.7	↓	-2%
10 yr Tbond	1.58	↓	-2%
US \$ index	90.23	↓	-1%

**The Mining Review for the 8th May
is now complete.**