

# Equity Investment Advisers Gold Report



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## Venezuela Told to Give Shares of Citgo's Parent to Gold Miner

A Canadian mining company can seize the shares of the owner of Citgo Petroleum Corp. to satisfy a \$1.2 billion arbitration award over a Venezuelan gold mine.

The ruling in favor of Crystallex International Corp. may prompt other Venezuelan creditors to scurry to file claims on Citgo. The company is one of the most attractive assets investors could try to seize as the South American nation falls further behind on debt payments and sinks deeper into an economic depression.

The brief order didn't reveal the reasoning of U.S. District Judge Leonard Stark because his full decision was filed under seal. Both sides are set to meet Aug. 10 to discuss making the ruling public, according to court filings.

The decision is more bad news for Venezuela, which is struggling with rampant inflation and political unrest and is entangled in more than a dozen arbitration cases with foreign companies challenging state takeovers during the past decade. President Nicolas Maduro has expressed an interest in restructuring the nation's billions of dollars in debt but has failed to carry through as sanctions prohibit a transaction with U.S.-based investors.

Petroleos de Venezuela SA, the state oil company known as PDVSA, said it couldn't immediately comment on the judge's ruling without reviewing it. A representative for Citgo couldn't immediately be reached for comment.

## Gold fever hits Newfoundland

Newfoundland's Moosehead Gold District, located in the north-central part of the Canadian province, made headlines this week as different miners announced the acquisition of a number of projects in the area.

First, management at Ontario-based RJK Explorations (TSX-V: RJX.A) said that it has agreed to acquire the Moosehead Gold District Project from an unnamed private company. The project consists of 208 claim units representing exclusive exploration rights to approximately 5,200 hectares.

Moosehead Gold's tenures are adjacent to and on-trend with the mineral license hosting Sokoman Iron Corp.'s (TSX-V: SIC) recently announced discovery hole. The latter reported a drill intersection of 44.96 grams per tonne (g/t) gold over 11.9 metres.

For this acquisition, RJK has to raise \$1 million for exploration by conducting a non-brokered private placement and it has to acquire 100% of the issued and outstanding shares of the seller through the issuance of an aggregate of 9,660,000 Class A Common shares of the firm the private company's shareholders and make an aggregate cash payment of \$100,000 to them.

Vancouver-based Sunvest Minerals (TSX-V: SSS), on the other hand, announced it plans to acquire two claim blocks of the 165-claim-units, 4,215-hectares Moosehead North Gold Project.

## Gold Price



## Silver Price



## Gold To Silver Price Ratio

1 Year Gold/Silver

High: 82.00 Low: 74.37 ▲3.98 5.28%



## Codelco goes ahead with scaled-back underground extension of Chuquicamata

Chile's owned Codelco, the world's No.1 copper producer, has approved a scaled-back version of an ambitious, but necessary plan to convert its open pit Chuquicamata mine into an underground operation.

Century-old Chuquicamata, the company's second largest copper operation by size, is running out of profitable ore and has to switch to an underground mine. This will allow Codelco keep production rates despite falling ore grades and increasing costs at its assets.

The \$4.9 billion-investment, part of Codelco's 10-year, \$39 billion overhaul of its core mines, will extend Chuquicamata's life by another 50 years.

The move comes on the heels of Chile's government decision to inject \$1 billion into the state miner to help it fund the upgrade of its aging mines.

The company, which hands over all of its profits to the state, holds vast copper deposits, accounting for 10% of the world's known proven and probable reserves and about 11% of the global annual copper output with 1.8 million metric tonnes of production.

Last year, Chuquicamata produced 330,900 tonnes of copper, out of Codelco's total of 1.734 million tonnes.

## The Quick Rundown: Here I am, Here you are, War to the U.S. Dollar!

- The Turkish government is asking its people to exchange their physical gold for lira in order to wage "economic war".
- The lira is currently down in the dumps due to an economic downturn that is bordering on a financial crisis.
- The situation is exacerbated by American sanctions being doubled on Turkish metals.
- Aluminium tariffs have reached 20% and steel tariffs have reached 50%, due to a recent breakdown in diplomatic relations.
- Gold has been a popular asset in Turkey, as Turks who were sceptical of fiat currency now seem to find themselves vindicated.
- Relations between America and Turkey have deteriorated over the Syria War, and Gulenist conspiracy theories.

You may also be interested in:

<https://www.bullionbypost.co.uk/gold-news/2018/august/08/pound-falls-11-month-low-no-deal-fears/>

<https://news.gold-eagle.com/article/gold-price-gearing-rally/1016>

## ETF – Betashares Gold



## ETF – Physical Gold



## ETF – Physical Silver



Listing (ASX)	Points	Percent.	Price
Evolution Mining	0.025	0.859%	\$2.935
Newcrest Mining	0.285	1.341%	\$20.965
Northern Star	0.070	0.943%	\$7.490
Rio Tinto	1.210	1.605%	\$74.160
South32	0.100	2.755%	\$3.530

As at 5:00 pm NZT, 13 August

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