

# Trump could boost junior gold explorers

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A rally in gold prices triggered by Donald Trump's election as US President could prompt junior gold miners to head to the capital markets in order to restart exploration projects, according to an industry veteran.

"Gold lost a bit of ground but it's starting to come back, and we are going to see a bit more strengthening in the first half of the year," said Nigel Ferguson, a geologist with more than three decades in the industry.

Mr Ferguson has held senior positions at the erstwhile Ashanti Goldfields, run London-listed Condor Gold Plc as chief executive, and served on the boards of Burey Gold and Samba Minerals.

He now heads new gold exploration minnow Huntsman Resources, which is raising \$3.5 million for two greenfield projects in Africa and WA.

Gold prices slumped to six-year lows in 2015 but have recovered somewhat since.

Since mid-December, gold has run up nearly eight per cent to \$US1217 an ounce, as unease over the economic policies of Mr Trump pushes down the US dollar and bond yields and prompts investors to shift to safe haven assets.

"Because of what is happening in the US, there's a bit of uncertainty over what he is doing. Whether he will really go for his protectionism or not," Mr Ferguson told AAP.

Mr Trump this week confirmed the US will withdraw from the 12-country Trans-Pacific Partnership, a regional trade accord, and also signalled a border tax for US companies sending goods manufactured overseas into the country.

Gold prices could rise by a couple of hundred US dollars over the next few months, Mr Ferguson said, with the improvement likely to boost economics for the miners.

Typically, junior miners with sustainable projects are gobbled up by bigger players during a downturn but minnows head back to the market when there is an upturn in prices.

"There is an expectation now that things are starting to happen, in terms of gold prices. I think you will see more junior gold companies coming back out to the market," he said.

Higher gold prices mean juniors can earn higher margins, raise more money, sell decent assets for a healthy return, and there is more interest in deal-making in the sector.

Mr Ferguson admitted his new venture is trying to time the upcycle of the market.

Huntsman Resources is currently in the market to raise \$3.5 million at 20 cents a share. The funds will be used for exploration studies for projects in the Democratic Republic of Congo and the Kimberley goldfields in Western Australia.

<http://www.theaustralian.com.au/news/latest-news/trump-could-boost-junior-gold-explorers/news-story/82366b2e5a01d2ee5a19bc5af32f73a8>