

Shares in Shanta Gold Ltd (LON:SHG), which has a track record of production in Tanzania, have risen by nearly a third.

Shares in Bezant Resources (LON:BZT) which has a huge undeveloped gold-copper asset in the Philippines have risen by 1p to 9p.

And shares in Goldplat plc (LON:GDP), which recovers gold from used industrial equipment have added around 20% to 2.76p.

But not everyone's a winner. By contrast, shares in Chaarat Gold Holdings Ltd (LON:CGH), which has just acquired a producing mine in Armenia, have drifted by 2p since the end of May, and are now trading at 29p.

What are we to make of all this share price strength?

The first thing is that the mining markets are simply conforming to a well established pattern. Investors see more leverage in gold equities than in the physical metal in a rising market, and are wont to pile in. Caveat emptor, though. A similar effect can also be seen when the gold price is dropping, which is why markets were so tough for miners throughout 2018 and the early part of 2019.

A second factor that may come into play now is the acceleration of an already established trend of consolidation. Last year Barrick gobbled up London's gold mining champion Randgold, and now looks set under the new stewardship of Mark Bristow to absorb Acacia Mining too.

On a smaller scale, Chaarat Gold is looking to consolidate gold assets in Asia, and if its shares haven't benefited from the recent uplift it's worth noting that at the current 29p the shares are up significantly from the 21p level at which they were trading a year ago.

Expect activity to hot up in Australia's Fraser Range too, where Greatland Gold (LON:GGP) has significant gold exploration exposure. Newcrest has already come in for a piece of that action, but it wouldn't be surprising if the other companies in the area like Rio Tinto or Sipa Resources Ltd (ASX:SRI) started looking over each other's projects and valuations too.

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