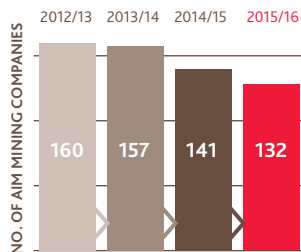


EXTRACTING INSIGHTS:

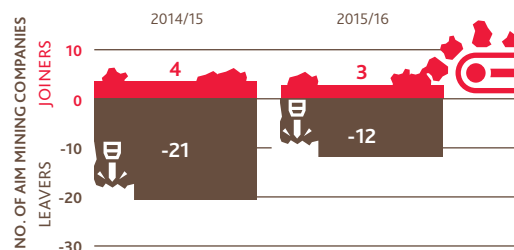
A REVIEW OF THE PERFORMANCE OF AIM LISTED MINING COMPANIES FOR THE YEAR TO JUNE 2016

Have we reached the bottom of the current cycle?

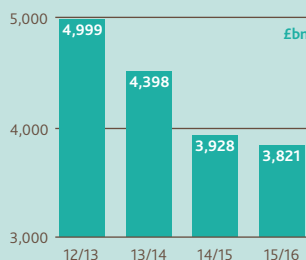


THERE WAS A FALL IN THE TOTAL NUMBER OF COMPANIES FOR THE THIRD YEAR IN A ROW...

...BUT THERE WAS A SUBSTANTIAL REDUCTION IN THE NUMBER OF LEAVERS (FROM 21 TO 12)



TOTAL MARKET CAPS



ALTHOUGH THE MARKET VALUE OF MINING COMPANIES HAS DECLINED AGAIN, THE RATE OF DECLINE (3%) WAS THE LOWEST FOR FIVE YEARS.

	Mining	AIM
2011/12	-47.8%	-19.7%
2012/13	-36.3%	1.7%
2013/14	-12.0%	26.8%
2014/15	-10.7%	-5.5%
2015/16	-2.7%	-3.1%

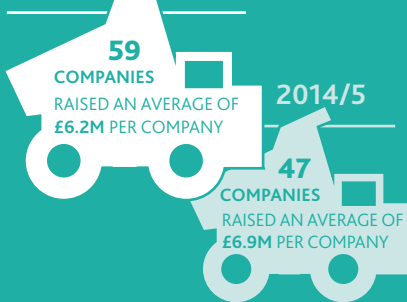
2015/16 saw the market caps of mining companies perform better than the wider AIM market for the first time since our survey started in 2011

AVERAGE MARKET CAPS

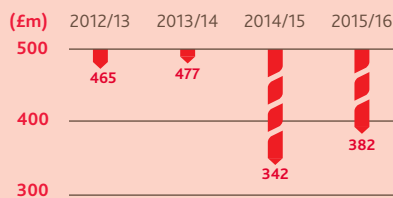
THE AVERAGE MARKET CAP PER MINING COMPANY INCREASED, THE FIRST INCREASE SINCE OUR SURVEY STARTED IN 2011



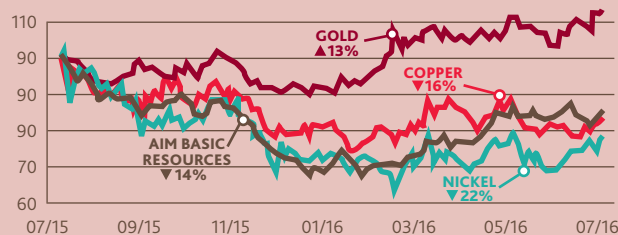
2015/6



ALTHOUGH FUNDS FOR IPO'S HAVE DRIED UP, SECONDARY FUNDRAISINGS SAW THE LARGEST PERCENTAGE INCREASE IN FURTHER ISSUE FUNDRAISING FOR FIVE YEARS (12%).



THE AIM BASIC RESOURCES INDEX HAS UNDERPERFORMED THE GOLD PRICE. GIVEN THE HIGH PROPORTION OF GOLD COMPANIES ON AIM, COULD THEY CURRENTLY BE UNDERVALUED?



OUR ADVICE FOR MANAGING YOUR BUSINESS IN THE CURRENT MARKET

- 01 Maintain tight cost control and cash management
- 02 Carry out a strategic review to ensure you can capitalise on investment or corporate opportunities
- 03 Consider M&A opportunities to realise value for shareholders
- 04 Consider funding from alternative sources (specialist investors, overseas exchanges) as well as equity markets
- 05 Review capital structure to ensure it does not expose you to sudden liquidity issues

Find out more about how BDO can help you:

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