

Another rocky year but the market continues to mature...

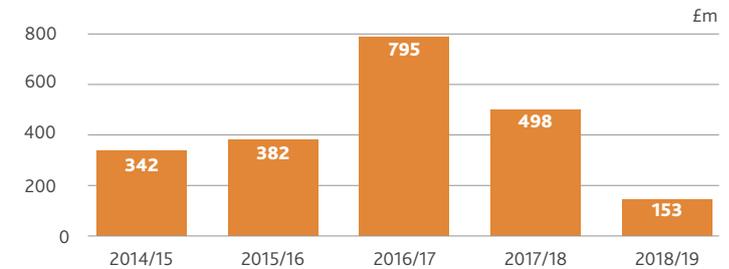
1. NEW ISSUE PROCEEDS

New issue proceeds were **the highest since our survey began in 2010/11**. However, there were **only two IPOs**, with Yellow Cake raising £151m...



2. FURTHER ISSUE PROCEEDS

...by contrast, **secondary fundraising fell to the lowest level since our survey began.**



3. MARKET CAPITALISATION

AIM mining market caps are at the same level as five years ago despite there being 53 fewer companies. **And as a result...**

...average market cap has increased by 50% reflecting the perceived **size and quality** of the remaining population



2013/14
No. of AIM mining companies: **157**
Aggregate market caps: **£4,398m**

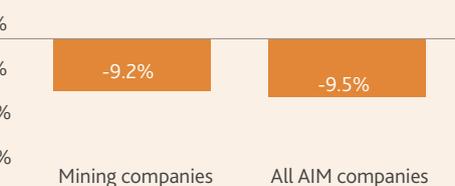
2018/19
No. of AIM mining companies: **104**
Aggregate market caps: **£4,394m**

4. MOVEMENT IN MARKET CAPS



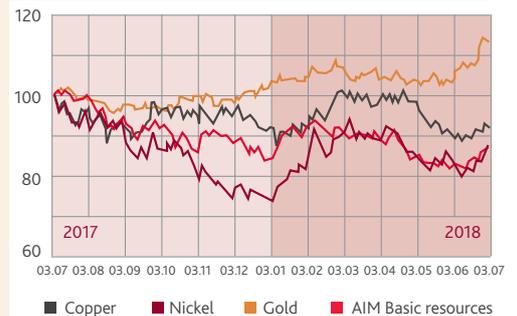
Investors' current preference for larger mining companies with proven resources is reflected in the fact that the top 10 held their mining caps whereas all others fell.

5. MINING SECTOR PERFORMANCE



The performance of the mining sector was in line with the wider AIM market.

6. COMMODITY PRICES AND AIM BASIC RESOURCES INDEX



Since June, gold prices have increased by c9% whereas **sector market caps have increased by c4% so AIM gold mining companies may be undervalued**

OUR OUTLOOK FOR 2019/2020

- Mining companies cannot currently rely on equity funding** so will need to explore debt, private equity, sovereign wealth funds and other alternative investment strategies.
- Gold mining companies are likely to benefit from a continuing flight to gold as a safe haven** due to geopolitical uncertainties.
- Ongoing geopolitical uncertainties will continue to weigh on global growth** and therefore demand for commodities.
- Companies investing in rare earth and other niche metals required in battery and other cleantech are likely to outperform more traditional metals companies.**



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