

# The System is Broken

## *Overview of Recent Mining Financing Trends*

SME Annual Conference & Expo CMA 117th National Western Mining Conference, February 2015

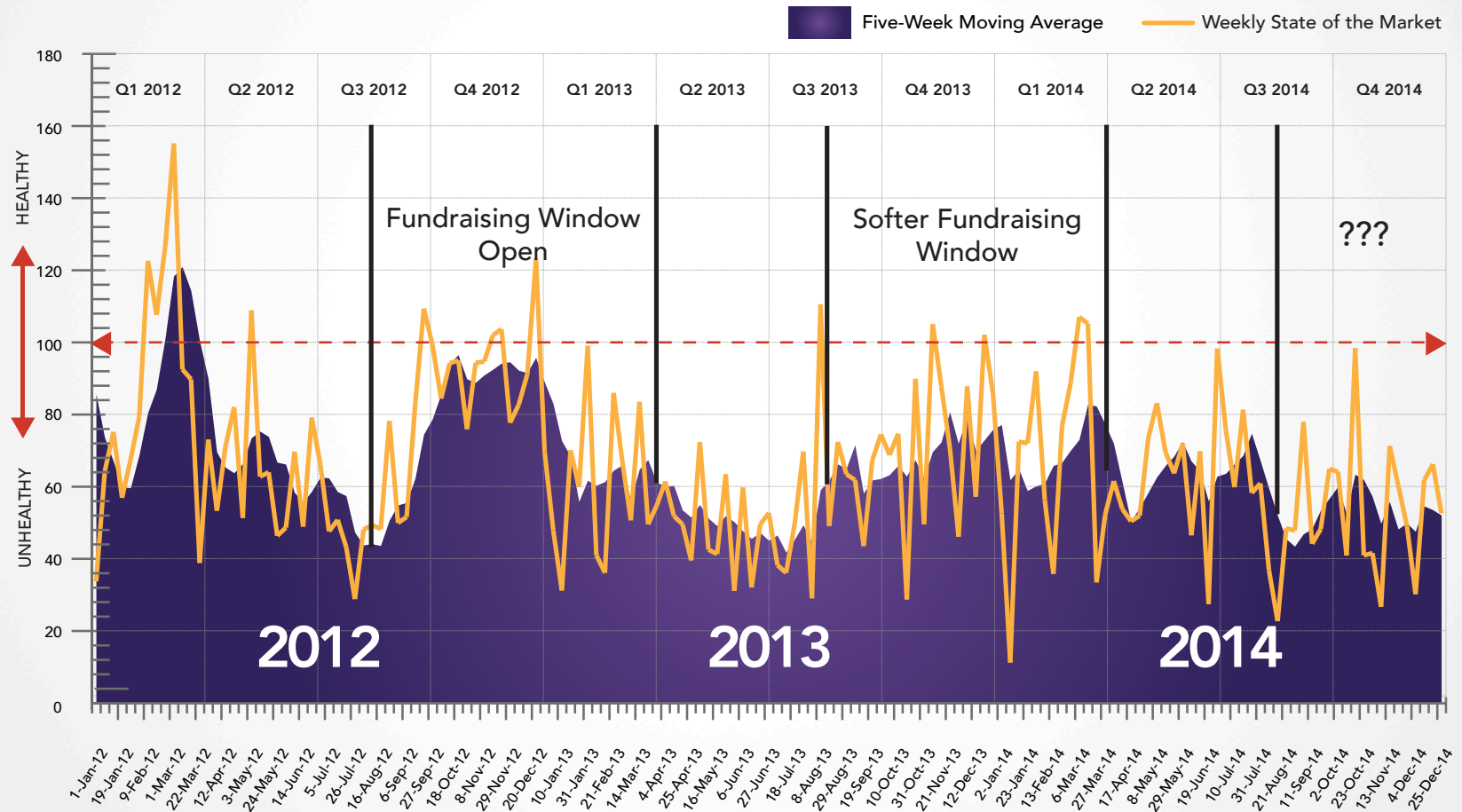


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# Oreninc Index

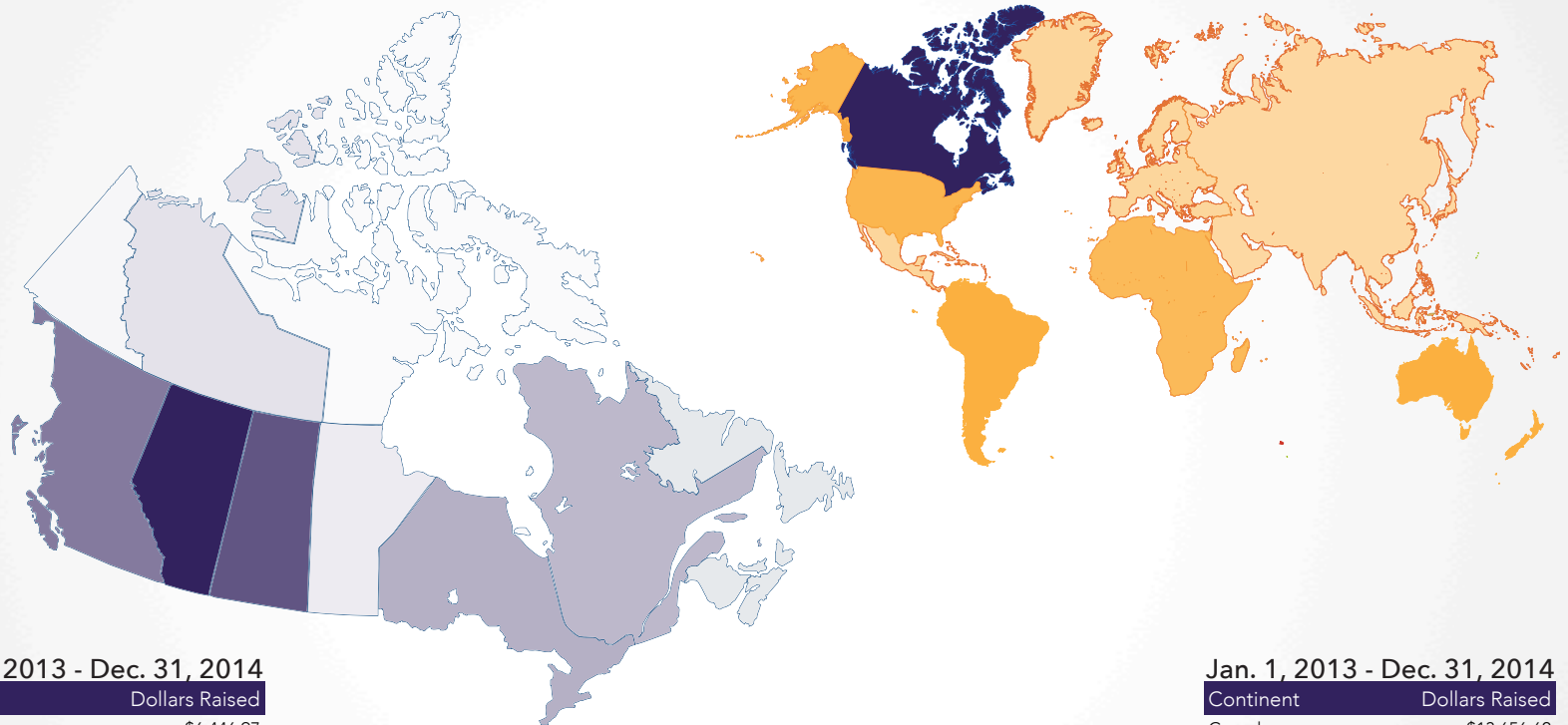
CANADIAN RESOURCE FINANCING INDEX: JAN. 1, 2012 - DEC. 31, 2014



Note: The Oreninc Index tracks the state of the Canadian junior natural resource financing market and gives readers a snapshot of fundraising confidence in a given week. A sustained market above 100 is considered healthy



# Global Fundraising by Project Location



Jan. 1, 2013 - Dec. 31, 2014

Province	Dollars Raised
Alberta	\$6,446.97
Saskatchewan	\$2,255.63
British Columbia	\$1,784
Quebec	\$958.66
Ontario	\$1,071.83
Manitoba	\$269.46
Northwest Territories	\$400.75
Atlantic Canada	\$277.93
Yukon	\$125.05
Nunavut	\$66.35

Jan. 1, 2013 - Dec. 31, 2014

Continent	Dollars Raised
Canada	\$13,656.62
South America	\$2,154.91
United States	\$1,990.33
Africa	\$1,893.58
North America	\$567.47
Europe	\$565.56
Asia	\$538.57
Australia	\$308.32

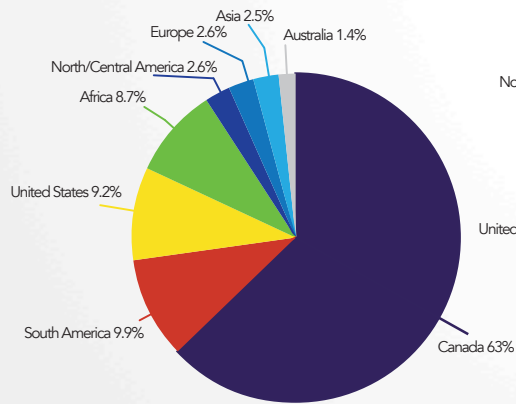
Note: The map represents all 2013 - 2014 financing data. Dollars raised listed in million-dollar units. "Atlantic Canada" includes the provinces of New Brunswick, Prince Edward Island, Nova Scotia, Newfoundland, and Labrador.



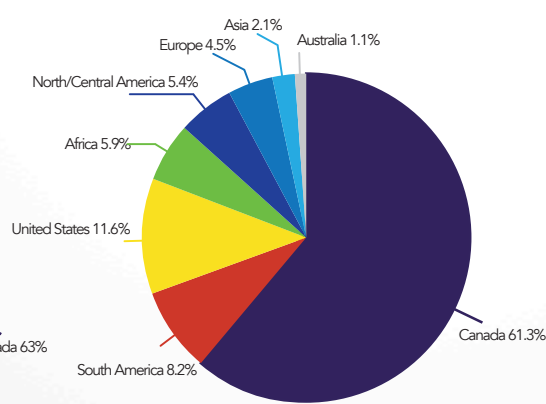
# Property Comparison by Region/Continent

REGION	DOLLARS RAISED	NUMBER OF DEALS	AVERAGE DEAL SIZE
Canada	\$13,656.63	1,846	\$7.40
South America	\$2,154.91	246	\$8.75
United States	\$1,990.34	348	\$5.72
Africa	\$1,893.58	177	\$10.72
North/Central America	\$567.48	162	\$3.51
Europe	\$565.56	135	\$4.18
Asia	\$538.57	64	\$8.44
Australia	\$308.32	32	\$9.54

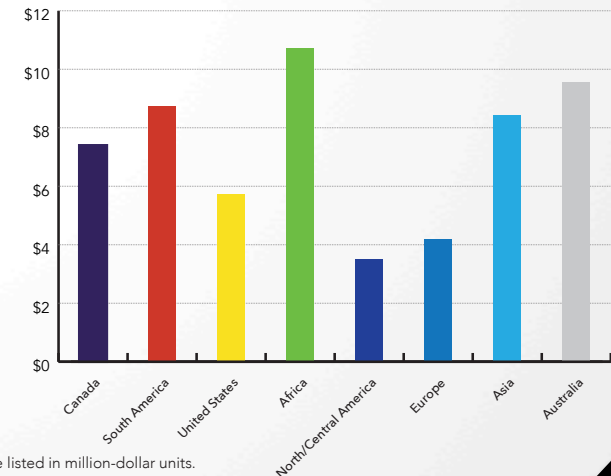
DOLLARS RAISED



NUMBER OF DEALS



AVERAGE DEAL SIZE



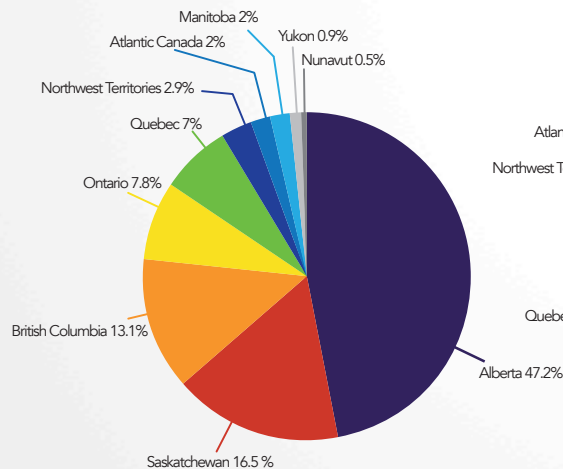
Note: The table and charts represent all deals in all natural resource sectors closed between January 1, 2013 and December 31, 2014. Dollars raised and average deal size listed in million-dollar units.



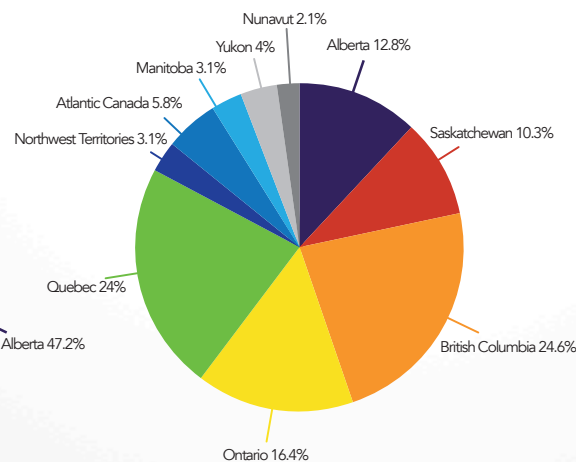
# Property Comparison by Province

PROVINCE	DOLLARS RAISED	NUMBER OF DEALS	AVERAGE DEAL SIZE
Alberta	\$6,446.97	223	\$28.98
Saskatchewan	\$2,255.63	180	\$12.54
British Columbia	\$1,784.00	428	\$4.17
Ontario	\$1,071.83	286	\$3.75
Quebec	\$958.66	417	\$2.30
Northwest Territories	\$400.75	53	\$7.51
Atlantic Canada	\$277.93	100	\$2.77
Manitoba	\$269.46	53	\$5.05
Yukon	\$125.05	70	\$1.79
Nunavut	\$66.35	37	\$1.81

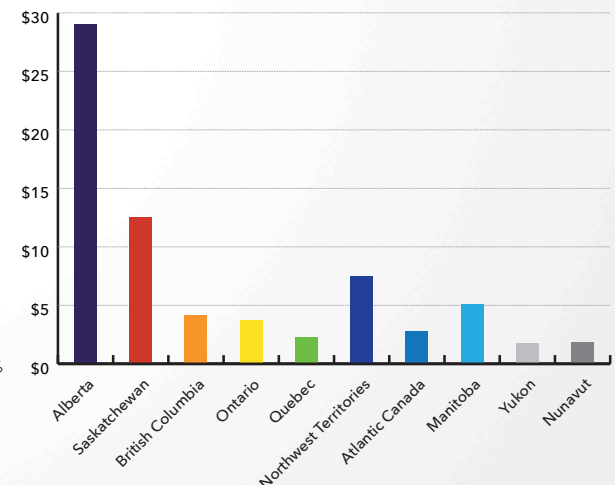
DOLLARS RAISED



NUMBER OF DEALS



AVERAGE DEAL SIZE



Note: The table and charts represent all deals in all natural resource sectors closed between January 1, 2013 and December 31, 2014. Dollars raised and average deal size listed in million-dollar units. Atlantic Canada includes the provinces of New Brunswick, Prince Edward Island, Nova Scotia, Newfoundland, and Labrador.

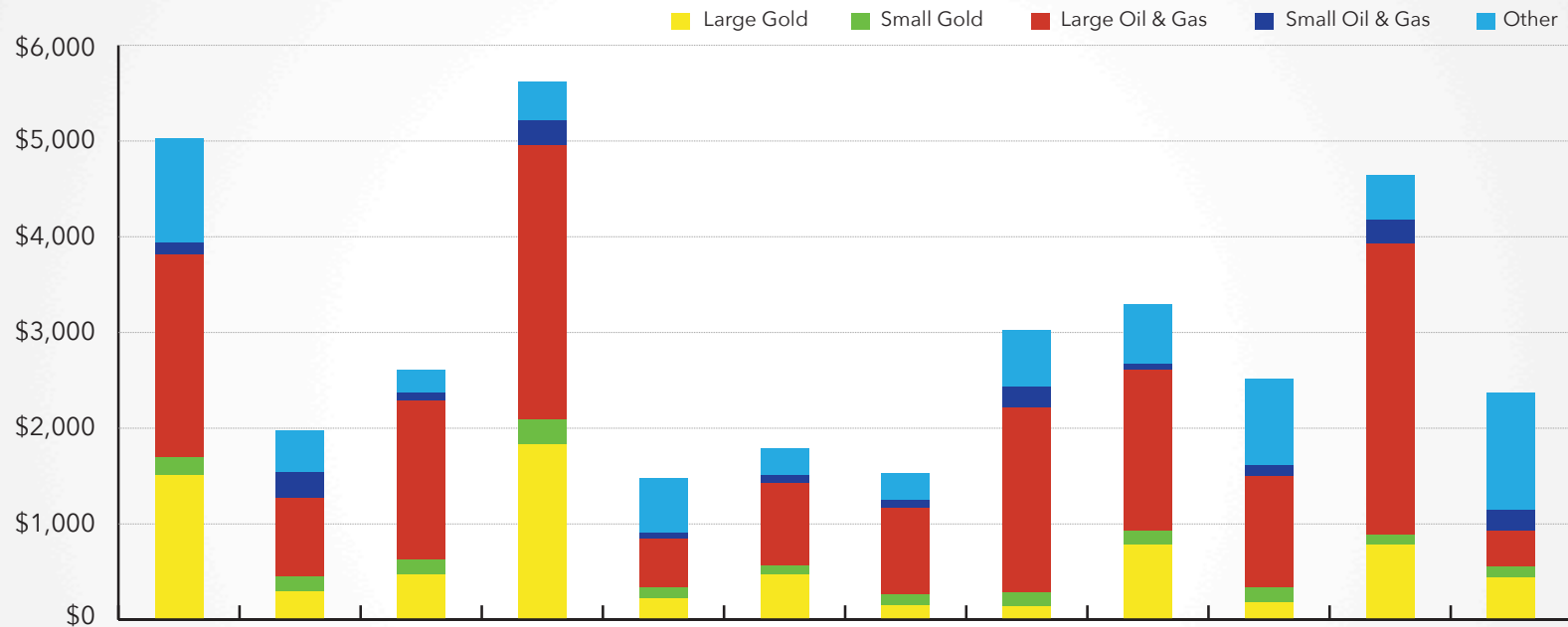
SME Annual Conference & Expo CMA 117th National Western Mining Conference, February 2015

The System is Broken: Overview of Recent Mining Financing Terms



# Gold and Oil & Gas vs. Other Sectors

DOLLARS RAISED



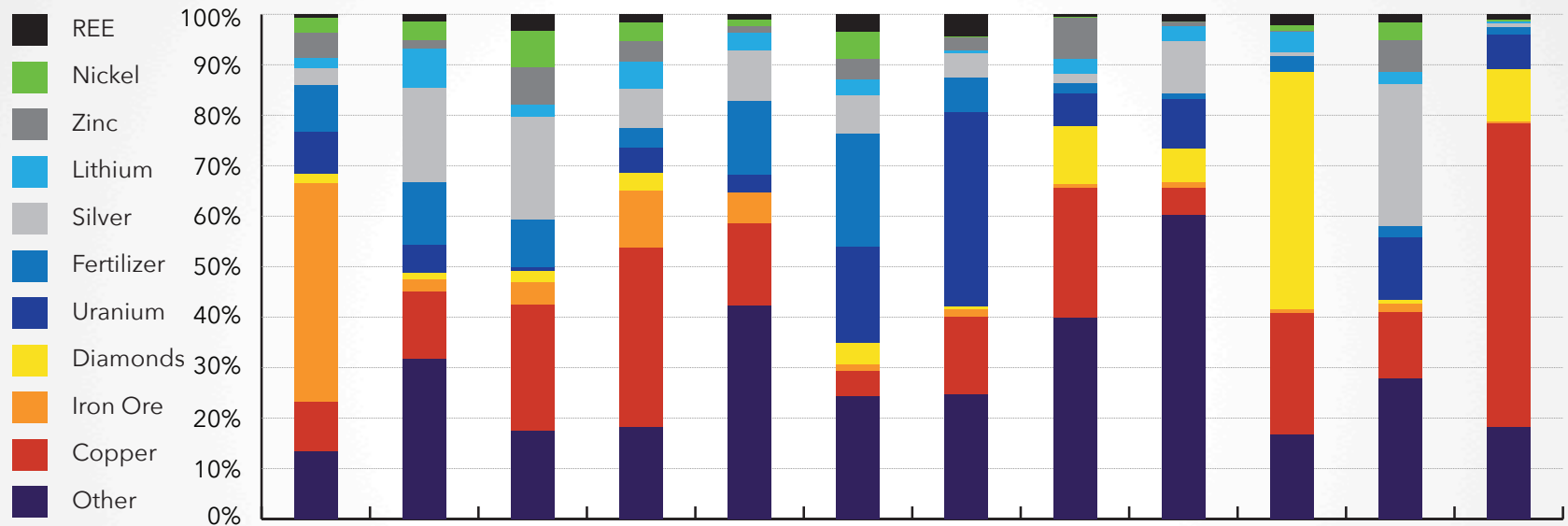
SECTOR	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014
Large Gold	\$1,518.17	\$298.96	\$478.83	\$1,837.38	\$229.17	\$474.04	\$157.42	\$147.54	\$786.02	\$188.65	\$794.02	\$446.00
Small Gold	\$176.94	\$158.27	\$153.26	\$262.48	\$113.90	\$94.44	\$106.56	\$140.58	\$151.56	\$152.11	\$94.81	\$110.12
Large Oil & Gas	\$2,126.69	\$817.07	\$1,661.07	\$2,866.94	\$502.53	\$862.77	\$907.95	\$1,926.38	\$1,676.19	\$1,161.27	\$3,045.21	\$378.80
Small Oil & Gas	\$119.52	\$267.49	\$77.36	\$251.48	\$66.71	\$80.83	\$89.53	\$217.85	\$64.61	\$120.24	\$243.34	\$216.95
Other	\$1,084.57	\$428.71	\$235.65	\$395.20	\$563.44	\$277.03	\$270.81	\$588.19	\$618.84	\$898.91	\$460.51	\$1,222.77
<b>Total</b>	<b>\$5,025.89</b>	<b>\$1,970.50</b>	<b>\$2,606.18</b>	<b>\$5,613.48</b>	<b>\$1,475.75</b>	<b>\$1,789.12</b>	<b>\$1,532.27</b>	<b>\$3,020.54</b>	<b>\$3,297.21</b>	<b>\$2,521.18</b>	<b>\$4,637.89</b>	<b>\$2,374.64</b>

Note: The chart and table represent all deals in all natural resource sectors closed between January 1, 2012 and December 31, 2014. Dollars raised listed in million-dollar units. "Large Gold" includes companies with market caps greater than \$40 million, "Small Gold" includes companies with market caps under \$40 million, "Large Oil & Gas" includes companies with market caps greater than \$90 million, and "Small Oil & Gas" includes companies with market caps under \$90 million.



# Other Sector Breakdown

## DOLLARS RAISED



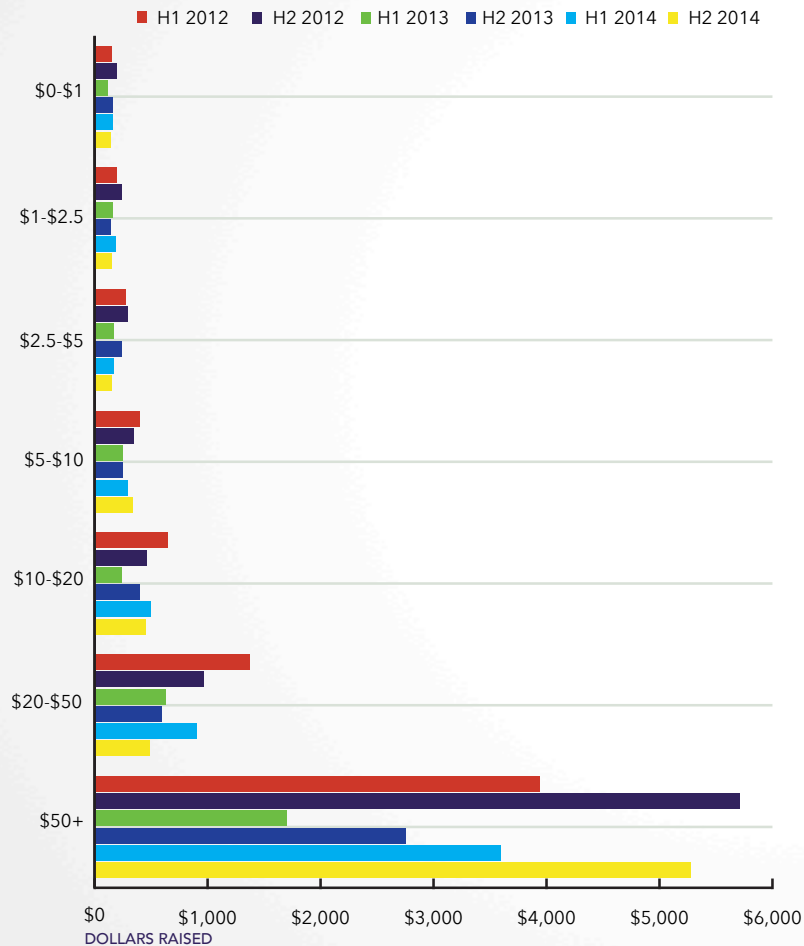
SECTOR	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014
Copper	\$106.62	\$57.71	\$58.81	\$140.39	\$92.22	\$14.18	\$41.73	\$151.86	\$33.15	\$217.43	\$60.70	\$736.32
Diamonds	\$18.39	\$5.54	\$5.63	\$13.69	\$0.00	\$11.89	\$1.70	\$67.70	\$40.50	\$421.89	\$3.86	\$126.19
Iron Ore	\$470.41	\$9.55	\$10.31	\$44.67	\$34.48	\$3.40	\$3.91	\$3.33	\$6.93	\$5.65	\$7.03	\$5.25
Uranium	\$91.48	\$24.56	\$1.59	\$20.08	\$18.88	\$52.93	\$103.99	\$38.33	\$61.73	\$1.66	\$56.66	\$83.22
Silver	\$36.06	\$80.81	\$48.25	\$30.24	\$56.84	\$21.16	\$13.50	\$11.07	\$65.25	\$6.52	\$129.79	\$7.36
Fertilizer	\$99.52	\$52.54	\$22.28	\$15.56	\$82.36	\$61.87	\$18.47	\$12.07	\$5.85	\$27.63	\$10.23	\$19.40
Lithium	\$23.64	\$33.43	\$5.70	\$21.69	\$19.60	\$8.74	\$1.16	\$17.48	\$18.55	\$36.22	\$11.33	\$5.04
Zinc	\$54.55	\$6.49	\$17.11	\$15.57	\$6.86	\$11.35	\$6.91	\$47.02	\$4.64	\$1.25	\$29.00	\$0.00
Nickel	\$30.18	\$15.91	\$16.95	\$14.51	\$8.23	\$14.62	\$0.59	\$1.63	\$0.00	\$11.05	\$15.80	\$5.24
REE	\$7.51	\$6.03	\$7.74	\$6.43	\$5.25	\$9.52	\$11.81	\$2.57	\$8.80	\$18.84	\$7.26	\$11.67
Other	\$146.20	\$136.13	\$41.29	\$72.38	\$238.72	\$67.38	\$67.04	\$235.13	\$373.44	\$150.77	\$128.85	\$223.07
<b>Total</b>	<b>\$1,084.57</b>	<b>\$428.71</b>	<b>\$235.65</b>	<b>\$395.20</b>	<b>\$563.44</b>	<b>\$277.03</b>	<b>\$270.81</b>	<b>\$588.19</b>	<b>\$618.84</b>	<b>\$898.91</b>	<b>\$460.51</b>	<b>\$1,222.77</b>

Note: The chart and table represent all deals in all natural resource sectors closed between January 1, 2012 and December 31, 2014. Dollars raised listed in million-dollar units.

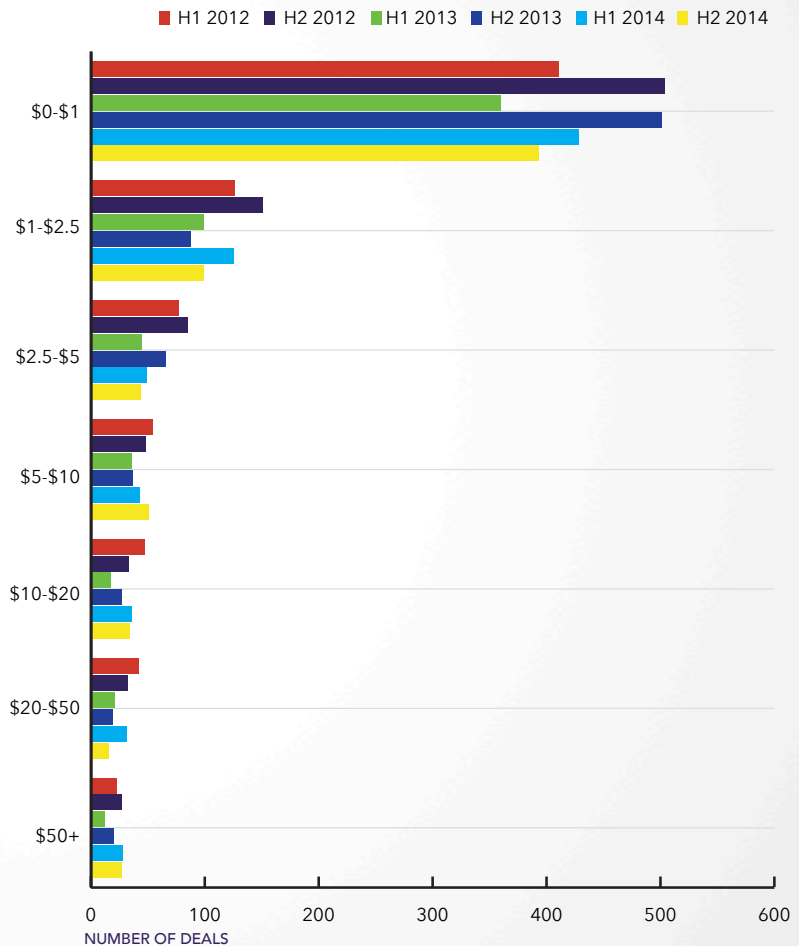


# Number of Deals & Dollars Raised

## DOLLARS RAISED BY OFFER SIZE



## NUMBER OF DEALS BY OFFER SIZE



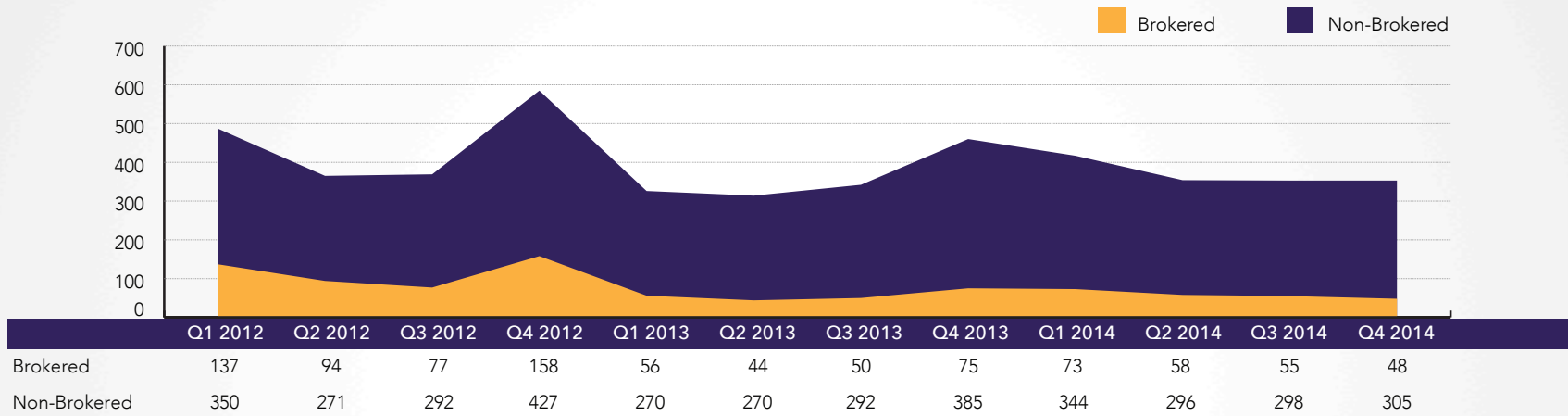
Note: The charts represent all deals in all natural resource sectors closed between January 1, 2012 and December 31, 2014. Dollars raised and offer size listed in million-dollar units.



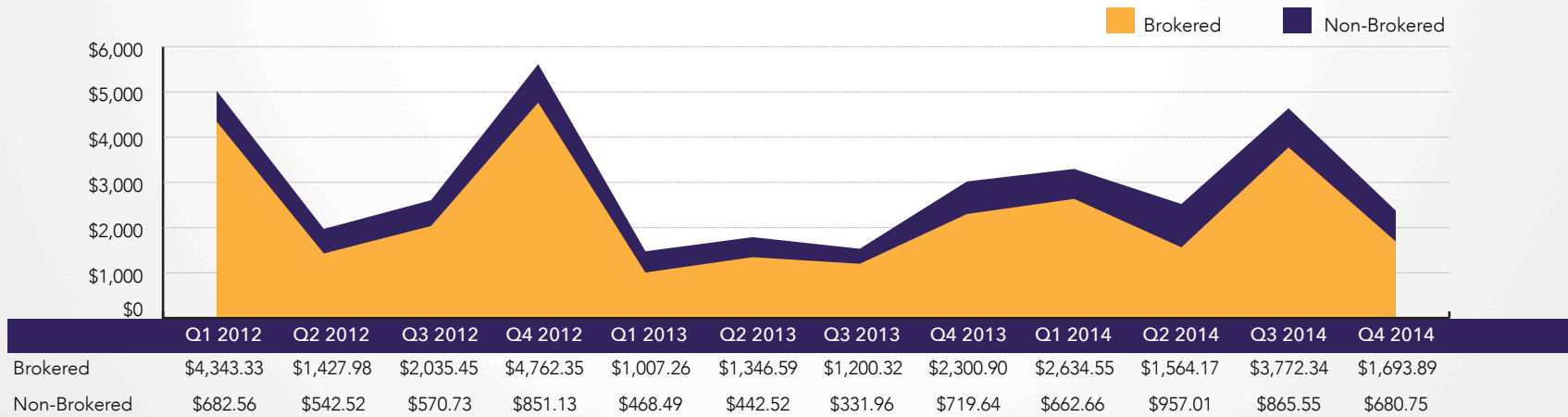


# Brokered vs. Non-Brokered Deals

## BROKERED VS. NON-BROKERED OFFERINGS



## BROKERED VS. NON-BROKERED DOLLARS RAISED

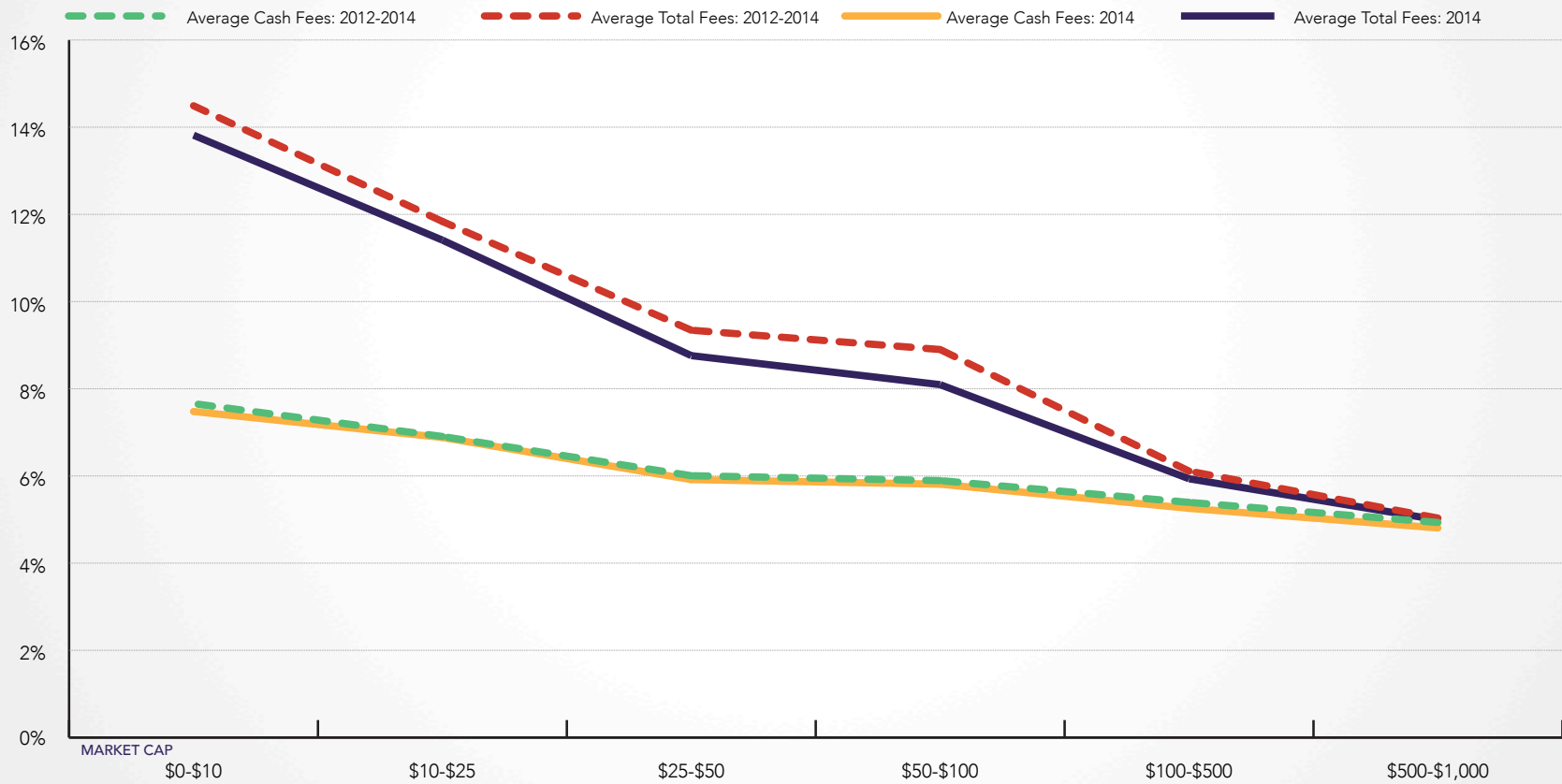


Note: The charts represent all deals in all natural resource sectors closed between January 1, 2012 and December 31, 2014. Dollars raised listed in million-dollar units.



# Average Fees on Brokered Deals: 2012-2014

ALL SECTORS 2012 - 2014: BROKERED FEES BY COMPANY MARKET CAP



Note: The chart represents all brokered deals in all natural resource sectors closed between January 1, 2012 and December 31, 2014. Market cap listed in million-dollar units.



# Brokered Deals Across All Sectors: 2014

SECTOR	% OF TOTAL BOOK	DEAL SIZE*	TOTAL DEALS	TOTAL RAISED	CASH	WARRANT	TOTAL	SHARE PRICE PREMIUM+	% OF DEALS BOUGHT	% OF DEALS WITH WARRANTS	DAYS TO CLOSE*	SUBSCRIPTION RATE*
Large Oil & Gas	58%	\$104.31	54	\$5,632.94	4.1%	0.0%	4.1%	-3.8%	85.2%	1.9%	21.2	108.3%
Small Oil & Gas	3%	\$13.81	24	\$331.54	6.2%	1.7%	7.8%	-5.3%	33.3%	29.2%	38.1	90.5%
Large Gold	19%	\$40.85	44	\$1,797.29	4.5%	0.2%	4.7%	-6.9%	68.2%	34.1%	18.5	113.0%
Small Gold	1%	\$3.81	32	\$122.04	6.2%	3.2%	9.4%	-4.8%	6.3%	75.0%	50.3	81.0%
Copper	9%	\$139.07	6	\$834.44	4.2%	0.0%	4.2%	-8.0%	66.7%	33.3%	19.2	83.2%
Base Metals	2%	\$57.83	3	\$173.50	4.0%	0.0%	4.0%	-3.2%	33.3%	66.7%	37.7	110.3%
Silver	2%	\$19.11	8	\$152.92	5.4%	1.1%	6.5%	-8.9%	62.5%	50.0%	26.8	106.3%
PGM	1%	\$69.48	2	\$138.96	5.0%	0.2%	5.3%	-8.7%	100.0%	50.0%	17.5	110.0%
Uranium	1%	\$7.00	15	\$105.02	5.7%	3.6%	9.2%	-8.5%	33.3%	60.0%	15.9	107.8%
Diamonds	1%	\$20.80	5	\$104.00	5.0%	0.3%	5.3%	-4.8%	60.0%	40.0%	14.0	104.3%
Diversified	1%	\$65.00	1	\$65.00	5.0%	0.0%	5.0%	-0.1%	0.0%	0.0%	15.0	100.0%
Lithium	0.5%	\$9.04	5	\$45.22	5.7%	1.3%	7.1%	-6.9%	40.0%	60.0%	22.4	115.2%
Fertilizer	0.3%	\$8.09	4	\$32.36	5.4%	1.8%	7.2%	0.0%	25.0%	100.0%	41.5	92.0%
Graphite	0.2%	\$2.76	7	\$19.31	6.9%	6.3%	13.3%	-8.9%	14.3%	100.0%	16.4	141.1%
Zinc	0.2%	\$5.89	3	\$17.68	6.2%	6.2%	12.4%	26.7%	66.7%	33.3%	14.7	105.0%
Sand	0.2%	\$17.44	1	\$17.44	5.0%	5.0%	10.0%	-10.1%	100.0%	0.0%	18.0	144.4%
Nickel	0.2%	\$5.23	3	\$15.68	6.4%	3.9%	10.2%	-3.2%	33.3%	66.7%	15.3	110.8%
REE	0.1%	\$2.20	6	\$13.18	5.0%	4.7%	9.7%	-7.2%	16.7%	83.3%	24.0	90.5%
Vanadium	0.1%	\$6.42	2	\$12.84	5.7%	5.7%	11.4%	-11.5%	0.0%	50.0%	33.5	97.3%
Niobium	0.1%	\$10.59	1	\$10.59	6.5%	6.5%	13.0%	-0.2%	0.0%	100.0%	49.0	64.2%
Precious Metals	0.1%	\$10.01	1	\$10.01	6.0%	0.0%	6.0%	-9.7%	100.0%	0.0%	28.0	100.0%
Industrial Metals	0.1%	\$5.75	1	\$5.75	6.0%	6.0%	12.0%	-6.5%	100.0%	100.0%	27.0	115.0%
Iron Ore	0.1%	\$1.67	3	\$5.01	6.0%	6.0%	12.0%	-7.4%	33.3%	66.7%	29.0	86.7%
Chromite	0.0%	\$2.00	1	\$2.00	8.0%	8.0%	16.0%	-4.2%	0.0%	100.0%	195.0	87.0%
Molybdenum	0.0%	\$0.21	1	\$0.21	10.0%	10.0%	20.0%	-23.3%	0.0%	0.0%	49.0	68.8%
Tungsten	0.0%	\$0.06	1	\$0.06	8.5%	5.0%	13.5%	5.3%	0.0%	100.0%	48.0	30.0%
<b>All Sectors: 2014</b>	--	<b>\$41.30</b>	<b>234</b>	<b>\$9,664.95</b>	<b>4.3%</b>	<b>0.3%</b>	<b>4.6%</b>	<b>-5.2%</b>	<b>50.4%</b>	<b>41.0%</b>	<b>27.7</b>	<b>102.2%</b>
<b>All Sectors: 2013</b>	--	<b>\$26.02</b>	<b>225</b>	<b>\$5,855.07</b>	<b>4.6%</b>	<b>0.4%</b>	<b>5.0%</b>	<b>-3.2%</b>	<b>41.8%</b>	<b>38.7%</b>	<b>32.9</b>	<b>95.0%</b>
<b>All Sectors: 2012</b>	--	<b>\$26.97</b>	<b>466</b>	<b>\$12,569.11</b>	<b>4.7%</b>	<b>0.4%</b>	<b>5.1%</b>	<b>-4.3%</b>	<b>32.6%</b>	<b>43.6%</b>	<b>32.1</b>	<b>88.7%</b>



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