



04

TSXV
John McCoach
President



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Fission Uranium
Dev Randhawa
CEO



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Largo Resources
Mark Brennan
CEO

Waiting out uncertainty

Junior mine 2014

Review and analysis of the
Top 100 mining companies
on TSXV

October 2014



www.pwc.com/ca/juniormine

Annually, we analyze the Top 100 mining companies listed on the TSX Venture Exchange (TSXV) based on market capitalization as of June 30.

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All dollar values are reported in Canadian dollars.

We made some estimates and adjustments in order to arrive at a common format and aggregation of financial information as at, and for the years ended June 30. Consistent with 2013, the data was broken down into three categories of companies (exploration, development and production) in order to be comparable year-over-year.

For balance sheets, we converted foreign currencies to Canadian dollars using the closing exchange rate on June 30, 2014. For income and cash flow statements, we used the average exchange rate for the year ended June 30, 2014.

Some companies have elements of non-mining activities in their results. However, non-mining revenues are insignificant and have been left in our results and analysis.

Top 100

Based on market capitalization as of June 30, 2014, here are the top 100 mining companies listed on the TSXV.

| | | | | | | | | |
|----|----------|--------------------------------|----|----------|----------------------------------|-----|----------|--|
| 1 | TSXV:LCC | Lumina Copper Corp. | 35 | TSXV:MMY | Monument Mining Limited | 69 | TSXV:MTO | Metanor Resources Inc. |
| 2 | TSXV:FCU | Fission Uranium Corp. | 36 | TSXV:RAB | Rambler Metals & Mining PLC | 70 | TSXV:PLL | Palladon Ventures Ltd. |
| 3 | TSXV:BCM | Bear Creek Mining Corp. | 37 | TSXV:TSM | Tasman Metals Ltd. | 71 | TSXV:IPT | IMPACT Silver Corp. |
| 4 | TSXV:GRZ | Gold Reserve Inc. | 38 | TSXV:ACS | Archon Minerals Ltd. | 72 | TSXV:LLG | Mason Graphite Inc. |
| 5 | TSXV:RMC | Reservoir Minerals Inc. | 39 | TSXV:EMX | Eurasian Minerals Inc. | 73 | TSXV:WKM | West Kirkland Mining Inc. |
| 6 | TSXV:LGO | Largo Resources Ltd. | 40 | TSXV:RBX | Robex Resources Inc. | 74 | TSXV:CCE | Commerce Resources Corp. |
| 7 | TSXV:PRB | Probe Mines Limited | 41 | TSXV:PRO | Pershimco Resources Inc. | 75 | TSXV:EOX | Euromax Resources Ltd. |
| 8 | TSXV:ROG | Roxgold Inc. | 42 | TSXV:BKM | Pacific Booker Minerals Inc. | 76 | TSXV:ORG | Orca Gold Inc. |
| 9 | TSXV:TGM | True Gold Mining Inc. | 43 | TSXV:GQ | Great Quest Fertilizer Ltd. | 77 | TSXV:FPC | Falco Resources Ltd. |
| 10 | TSXV:CKG | Chesapeake Gold Corp. | 44 | TSXV:FST | Fortress Minerals Corp. | 78 | TSXV:ANF | Anfield Nickel Corp. |
| 11 | TSXV:ATC | ATAC Resources Ltd. | 45 | TSXV:AFM | Alphamin Resources Corp. | 79 | TSXV:EPO | Encanto Potash Corp. |
| 12 | TSXV:KDI | Kennady Diamonds Inc. | 46 | TSXV:FMS | Focus Graphite Inc. | 80 | TSXV:VMS | VMS Ventures Inc. |
| 13 | TSXV:ZEN | Zenyatta Ventures Ltd | 47 | TSXV:MJS | Majestic Gold Corp. | 81 | TSXV:NWX | Newport Exploration Ltd. |
| 14 | TSXV:NOT | Noront Resources Ltd. | 48 | TSXV:CGT | Columbus Gold Corp. | 82 | TSXV:PGM | Pure Gold Mining Inc. |
| 15 | TSXV:CSO | Corsa Coal Corp. | 49 | TSXV:AUN | Aurcana Corporation | 83 | TSXV:FDR | Flinders Resources Limited |
| 16 | TSXV:NAN | North American Nickel Inc. | 50 | TSXV:CZX | Canada Zinc Metals Corp. | 84 | TSXV:CMM | Castle Mountain Mining Company Limited |
| 17 | TSXV:JAG | Jaguar Mining Inc. | 51 | TSXV:MYA | Maya Gold & Silver Inc. | 85 | TSXV:TDC | Tyhee Gold Corp. |
| 18 | TSXV:ABM | Athabasca Minerals Inc. | 52 | TSXV:MRZ | Mirasol Resources Ltd. | 86 | TSXV:AVC | American Vanadium Corp. |
| 19 | TSXV:NES | Newstrike Capital Inc. | 53 | TSXV:ATM | Atacama Pacific Gold Corporation | 87 | TSXV:GRM | Goldrock Mines Corp. |
| 20 | TSXV:CUU | Copper Fox Metals Inc. | 54 | TSXV:SGC | Sunridge Gold Corp. | 88 | TSXV:SMD | Strategic Metals Ltd. |
| 21 | TSXV:NB | NioCorp Developments Ltd. | 55 | TSXV:LA | Los Andes Copper Limited | 89 | TSXV:NGC | Northern Graphite Corporation |
| 22 | TSXV:CAA | Callinan Royalties Corporation | 56 | TSXV:WG | Wellgreen Platinum Ltd. | 90 | TSXV:KIV | Kivalliq Energy Corp. |
| 23 | TSXV:GSV | Gold Standard Ventures Corp | 57 | TSXV:HI | Highland Copper Company Inc. | 91 | TSXV:REX | Orex Minerals Inc. |
| 24 | TSXV:SCZ | Santacruz Silver Mining Ltd. | 58 | TSXV:BGM | Barkerville Gold Mines Ltd. | 92 | TSXV:GWG | Great Western Minerals Group, Ltd. |
| 25 | TSXV:DAN | Arianne Phosphate Inc. | 59 | TSXV:GCU | Gold Canyon Resources Inc. | 93 | TSXV:ICG | Integra Gold Corp. |
| 26 | TSXV:CYD | Cayden Resources Inc. | 60 | TSXV:BCN | Bacanora Minerals Ltd. | 94 | TSXV:NAR | North Arrow Minerals Inc. |
| 27 | TSXV:PML | Panoro Minerals Ltd. | 61 | TSXV:DMI | Diamcor Mining Inc. | 95 | TSXV:SGN | Scorpio Gold Corporation |
| 28 | TSXV:AOT | Ascot Resources Limited | 62 | TSXV:AVT | Avanti Mining Inc. | 96 | TSXV:GTP | Colt Resources Inc. |
| 29 | TSXV:KAM | Kaminak Gold Corp. | 63 | TSXV:ASN | Asian Mineral Resources Ltd. | 97 | TSXV:SSP | Sandspring Resources Ltd. |
| 30 | TSXV:ASM | Avino Silver & Gold Mines Ltd. | 64 | TSXV:KWG | KWG Resources Inc. | 98 | TSXV:RPM | Rye Patch Gold Corp. |
| 31 | TSXV:MLN | Marlin Gold Mining Ltd. | 65 | TSXV:GQC | Goldquest Mining Corp. | 99 | TSXV:WAF | West African Resources, Ltd. |
| 32 | TSXV:ATY | Atico Mining Corporation | 66 | TSXV:TSD | Tsodilo Resources Ltd. | 100 | TSXV:TGX | True North Gems Inc. |
| 33 | TSXV:UCU | Ucore Rare Metals Inc. | 67 | TSXV:VIT | Victoria Gold Corp. | | | |
| 34 | TSXV:BRI | Brazil Resources Inc. | 68 | TSXV:NXE | NexGen Energy Ltd. | | | |

Executive summary

The junior mining industry continues to grind through the ongoing downturn in the sector.

Global economic volatility and oversupply of commodities has led to a drop in prices of most metals and minerals such as gold, silver, copper and coal. The mining industry has been recalibrating in recent years to try to balance supply and demand, including cutting production and shelving underperforming projects. While these moves are helping, the struggle is ongoing as commodity prices sit well below record or near-record levels set in 2011. There are some encouraging signs on the horizon, but the confidence crisis in the mining industry lingers.

The pain of this prolonged downturn is felt the most in the junior mining sector, where risk is higher, budgets are smaller and revenue that helps drive a company is often a long-term goal. Junior companies may be known for their grit and determination, but the extent of the latest downturn, especially so soon after the 2008–09 global financial crisis, has made it increasingly difficult. For many, financing has been tough to come by and juniors continue to cut costs to the bone, while trying to stay alive. It's worth noting though that many are surviving. They're optimistic (as miners characteristically are) that better days are ahead.

Our eighth annual Junior Mine – which looks at the Top 100 mining companies by market capitalization on the TSX Venture Exchange (TSXV) – tells the story of a sector in survival mode, but also confident that the worst of the current downturn is coming to an end.

The picture is brightening, somewhat: The market capitalization of the Top 100 has increased by about 20% for the 12 months ended June 30, 2014, compared to a year earlier. The percentage of mining companies on the TSX, at about 35%, has also been steady year-over-year.

That said, financings for our reporting period to end of June 2014 have fallen. There are a few exceptions, but overall juniors are struggling to raise money to sustain and grow their operations. The Top 100 raised a total of \$685 million through equity financings in 2014, down from \$795 million 2013. The cash position of the Top 100 dropped to \$968 million, a 20% decrease from 2013. “Companies are still struggling to get financing ... If you look at what's been raised, a lot has been smaller private placements – money coming from directors and existing shareholders. There haven't been as many equity raises in the general market,” said James Lusby, Mining Partner, PwC Assurance Group. “However if you have a good story, good management and a good project there's still the ability to do well, even in difficult times.”

In the past few months, mining companies have been more active and financings have increased (see interview with TSXV President John McCoach on page 4).

General and administration expenses were down six per cent year-over-year for producers, dropped 34% for developers and were flat for exploration companies. The overall trend suggests juniors were



John Gravelle
Global Mining Leader, PwC

already operating at minimum cost to stay in business. In fact, we've been pleasantly surprised by the number of juniors that have stayed afloat. It's because many junior mining executives are industry veterans who understand and are willing to navigate the sector's ups and downs. “Companies continue to find ways to cut back on their overall discretionary spend in order to stay alive. There are a lot of executives who have been in this industry a long time. They know it's a cycle. They expect the markets to recover. That's a positive sign,” says Lusby.

While the industry is still in the doldrums, we are also confident the market will soon turn. Long-term demand for metals and minerals will continue as the world's population keeps growing. As in previous mining cycles, the recovery usually starts with the major mining companies. Once they begin to make meaningful investments in the industry, the mid-tier and junior companies will benefit. It's a case of tides lifting all boats. Junior companies are a foundation of the industry and its future. We are committed to seeing the junior sector navigate this challenging period and around the next corner.

John Gravelle
Global Mining Leader, PwC

TSX Venture Exchange President is confident in miners' resiliency



John McCoach
President
TSX Venture Exchange

John McCoach is happy to report that the pundits got it wrong when they predicted a mass exodus of junior mining companies from TSXV in recent years.

While it's still a tough environment for juniors today, the TSXV president is feeling confident about the direction of the industry that accounts for more than a third of the exchange's market capitalization.

New listings in the mining sector are down, but John says cites a 28% increase in mining financing and a dramatic 60% increase in financing overall for the first eight months of 2014, compared to the same time last year. The number of delistings has also been just a few dozen, compared to the hundreds predicted by some industry watchers.

"That clearly hasn't happened. I never expected that it would and in this case I'm very glad that I'm right," he says.

"The mining industry is cyclical and we've had a challenging time," adds John. "But I've always had confidence in our customers' resiliency and to at least maintain their assets. When they're able to go back to the market and raise more cash or joint venture into other projects, they'll be in a position to grow. I don't want to downplay how hard it's been for many junior exploration companies but we've seen a normal amount of attrition."

The TSXV is also doing its part, alongside the Canadian Securities Administrators (CSA), to help bring some relief to its issuers, including junior miners during these tough times.

For instance, it's been actively advocating to make rights offerings more efficient in Canada. It also hopes to see a CSA proposal soon.

"There's no regulatory silver bullet for junior mining companies, but we need to give them the best tools that we can" says John.



The CSA has also introduced prospectus exemptions that allow companies to approach their existing shareholders to raise capital.

“That’s another tool I think will help,” he adds.

John says Canada continues to attract “more than our share” of mining listings, despite strong competition from exchanges in London, South Africa and Australia.

TSXV also signed an alliance agreement earlier this year with the Santiago Stock Exchange, which will help TSXV issuers with assets in South America. That initiative is now working through the regulatory process in Chile. The goal is to give issuers the ability to list on both markets, but only have to deal with filings on one exchange, to help with efficiency.

John believes exchanges around the world can play a role in supporting the mining industry, which he sees as key for economic prosperity.

The TMX Group, which owns the TSXV and Toronto Stock Exchange, also owns a 50% stake in MinesOnline (www.minesonline.com), a global platform that connects buyers and sellers of mining and exploration assets and projects from around the world. Customers include mining companies, strategic investors, owners of mining assets and governments.

“I’m an eternal optimist and I really believe in the mining industry,” he notes. “As long as we live in a society that needs the products that mining companies produce, there will always be a mining industry and it will continue to grow. It will never be a straight line to growth, but I like what we’re seeing so far in 2014 and I’m optimistic about 2015.”

Top 100 highlights

Market capitalization

The graph at the right shows the total market capitalization of the TSXV, compared to the TSXV-listed mining companies and the Top 100 mining companies. The market capitalization of the Top 100 has risen from \$6.6 billion last year to \$7.9 billion at June 30, 2014.

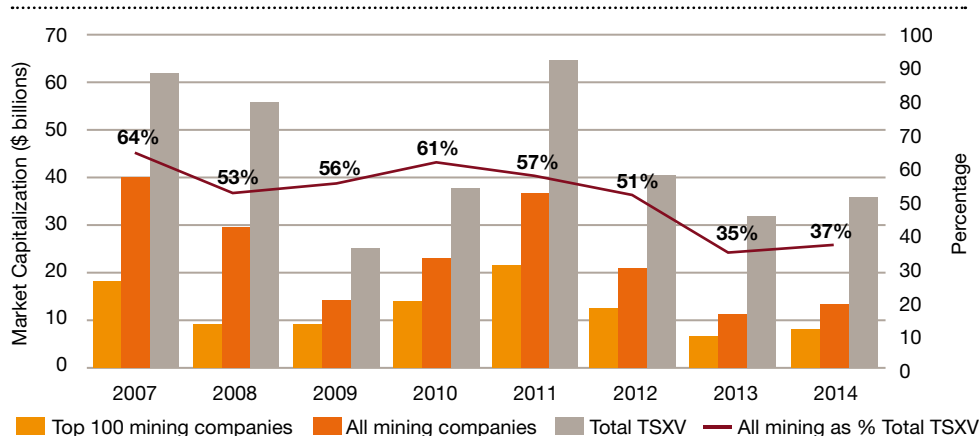
Since 2007, the Top 100 made up on average approximately 55% of the total mining companies' market capitalization on the TSXV, with the exception of 2008 when the Top 100 only made up 29%. From 2007 to 2012, the total mining companies made up approximately 57% of the total TSXV market capitalization. In 2013, this percentage slipped to 35% and slightly increased in 2014 to 37%.

The average market capitalization among the Top 100 increased to \$79 million, up from \$65 million in 2013. This remains much lower than previous years averages: \$117 million in 2012 and \$206 million in 2011.

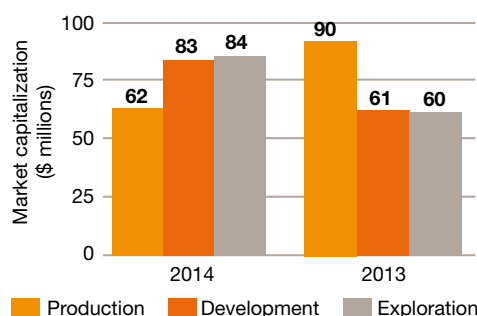
The average market capitalization across the different stages of mining entities in the Top 100 has shifted since 2013. The average for production entities has dropped to \$62 million (from \$90 million), while developers have seen their average market capitalization increase to \$83 million (from \$61 million) and exploration companies rose to \$84 million (from \$60 million).

The movements in average market capitalization by stage of mining category are largely driven by the movements in the Top 10 companies, which boosted the average. Of note, we see the average market capitalization of producers drop the most in 2014 as they make up a large proportion of the bottom 20 companies this year.

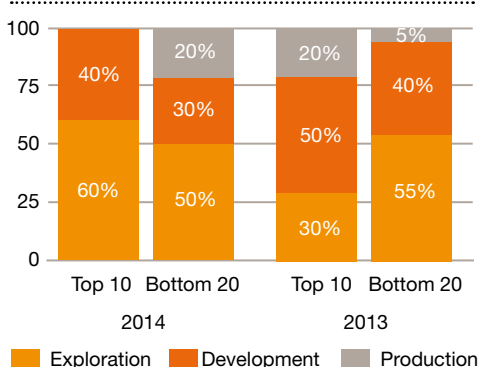
TSXV market capitalization (2007 to 2014)



Top 100 Average market capitalization per entity, by stage of mining



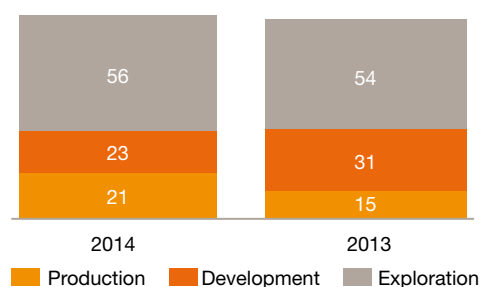
Top 100 mix, by stage of mining



Stage of mining

The graph below displays the stage of mining of the Top 100 mining companies.

Top 100 – Stages of mining



In the Top 100, the mix across production, development and exploration companies is relatively consistent with prior years, with a slight increase in production and decrease in development in the Top 100 this year.

Market capitalization, by stage of mining

The table below shows the total market capitalization of the Top 100 mining companies listed on the TSXV, by stage of mining.

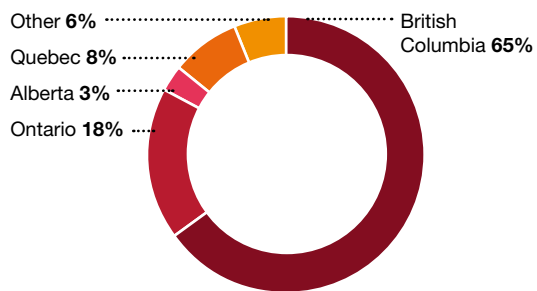
| Stage | 2014 \$ billions | 2013 \$ billions | Change (%) |
|--------------|---------------------|---------------------|------------|
| Production | 1.3 | 1.4 | -7% |
| Development | 1.9 | 1.9 | – |
| Exploration | 4.7 | 3.3 | 42% |
| Total | 7.9 | 6.6 | 20% |



Head office location

The chart below displays the head office location of the Top 100 mining companies.

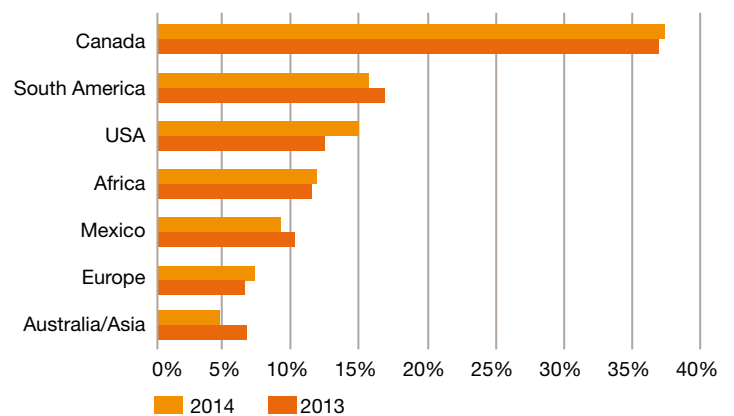
Of the Top 100 mining companies, the majority of companies have their head office in British Columbia, followed by Ontario. These figures are consistent with prior years.



Major area of operation

The graph below shows the major areas of operation of the Top 100 mining companies.

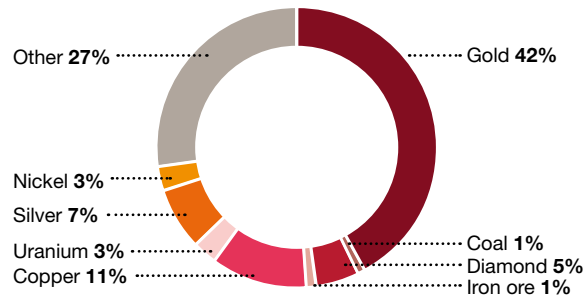
Canada and the Americas continue to be the geographic focus among the Top 100.



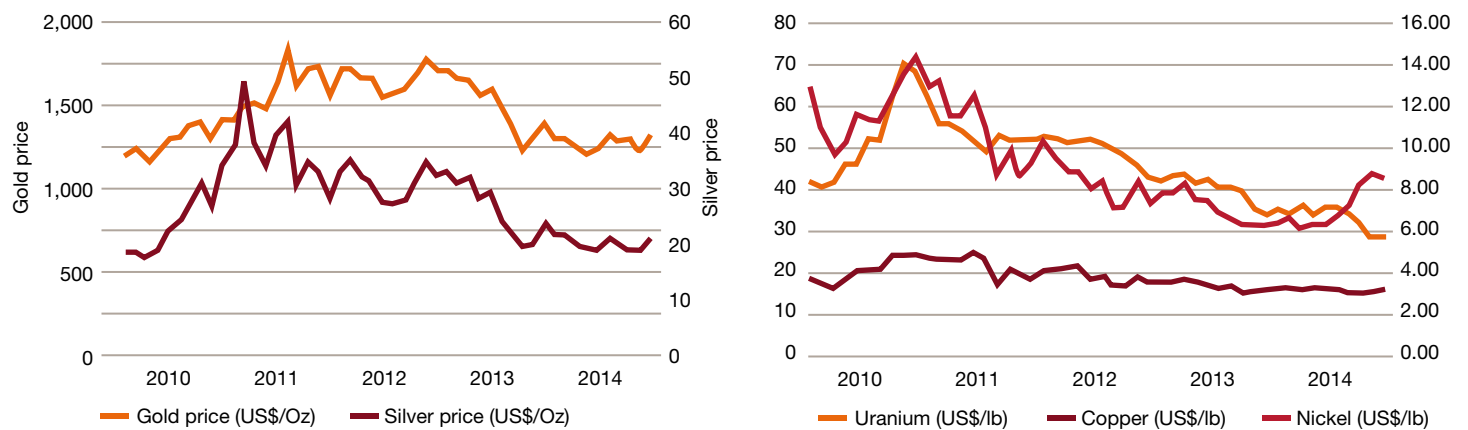
Principal commodity

The chart to the right shows the principal commodities across the Top 100 mining companies.

Gold continued to dominate the junior mining sector. As the gold price splutters along (see graph below) there is continued uncertainty in the sector as to when things might get better.



Three-year metal prices – July 1, 2011 to June 30, 2014



Financial highlights

The financial highlights for the Top 100 companies included in our analysis are summarized below.

| Summary | Production | | | Development | | | Exploration | | | Total | | |
|---|------------|-----------|--------|-------------|-----------|--------|-------------|-----------|--------|-----------|-----------|--------|
| (\$'000) | 2014 | 2013 | Change | 2014 | 2013 | Change | 2014 | 2013 | Change | 2014 | 2013 | Change |
| Cash Flow Statement | | | | | | | | | | | | |
| Net cash provided by (used in) operating activities | 49,588 | 87,231 | -43% | (92,549) | (132,143) | -30% | (218,049) | (249,223) | -13% | (261,010) | (294,135) | -11% |
| Cash used in investing activities | (228,578) | (359,934) | -36% | (156,191) | (318,388) | -51% | (285,095) | (247,782) | 15% | (669,866) | (926,104) | -28% |
| Cash provided by financing activities | 148,067 | 106,700 | 39% | 288,178 | 321,387 | -10% | 452,690 | 483,834 | -6% | 888,935 | 911,921 | -3% |
| Balance Sheet | | | | | | | | | | | | |
| Cash & ST Investments | 188,971 | 227,748 | -17% | 185,484 | 309,262 | -40% | 593,409 | 675,206 | -12% | 967,864 | 1,212,216 | -20% |
| Property, plant and equipment | 1,465,161 | 2,037,366 | -28% | 1,169,083 | 1,264,242 | -8% | 1,862,653 | 1,682,390 | 11% | 4,496,897 | 4,983,998 | -10% |
| Total liabilities | 653,446 | 1,211,225 | -46% | 536,598 | 339,815 | 58% | 232,918 | 284,760 | -18% | 1,422,962 | 1,835,800 | -22% |
| Shareholders' equity | 1,333,590 | 1,406,547 | -5% | 954,431 | 1,490,249 | -36% | 2,402,807 | 2,260,760 | 6% | 4,690,828 | 5,157,556 | -9% |
| Income Statement | | | | | | | | | | | | |
| Revenue | 681,054 | 856,289 | -20% | 14 | 12,204 | -100% | 9,284 | 3,291 | 182% | 690,352 | 871,784 | -21% |
| EBITDA | 74,445 | 187,595 | -60% | (148,880) | (152,542) | -2% | (374,222) | (292,290) | 28% | (448,657) | (257,237) | 74% |
| Net loss for the year | (112,192) | (75,835) | 48% | (157,438) | (169,296) | -7% | (382,830) | (304,440) | 26% | (652,460) | (549,571) | 19% |

Source: Aggregated highlight financial information compiled by PwC based on public SEDAR filings primarily annual reports

It was another year of tight budgeting for junior mining companies. Bringing money in continued to be a challenge as prices stayed depressed for most commodities, which in turn impacted investment in the sector. The Top 100 spent less on their operations in 2014 versus 2013, but also raised less money in financings.

The cash position of the Top 100 dropped to \$968 million, a 20% decrease from 2013. Both years were down from \$1.9 billion in 2012, due to a significant drop in financings as investors shied away from the sector. The Top 100 raised a total of \$685 million through equity financings in 2014, down from \$795 million 2013. That was a 50% drop from \$1.6 billion in 2012.

Debt financing was up, however, from \$289 million in 2013 to \$379 million in 2014. This increase does put greater stress on the junior sector with interest costs and covenants putting companies at higher risk than pure equity funded entities.

The aggregate property, plant and equipment balance of the Top 100 mining companies was \$4.5 billion, down 10%

from \$5 billion in 2013, again reflecting cutbacks in the sector, particularly among producers in this area.

Net cash used in operating activities was \$261 million in 2014, compared to \$294 million in 2013, as juniors tried to cut back to cope with fewer funds.

The revenue recognized by the Top 100 companies within the production phase fell by 20% to \$681 million in 2014, compared to 2013, a year which already suffered a 25% drop from 2012. Since 2012, total revenue among the Top 100 has fallen 69% or by \$474 million. This decrease is significantly more than the drop in prices across the same period (June 30, 2012 to June 30, 2014), when the price of both gold and copper fell 17%, silver dropped 24% and nickel slipped 3%.

EBITDA (earnings before interest, taxes, depreciation, and amortization) continued to slip into the red, plummeting 74% to a loss of \$449 million in 2014. Overall, the net loss for the year for the Top 100 was \$652 million compared to \$549 million in 2013.

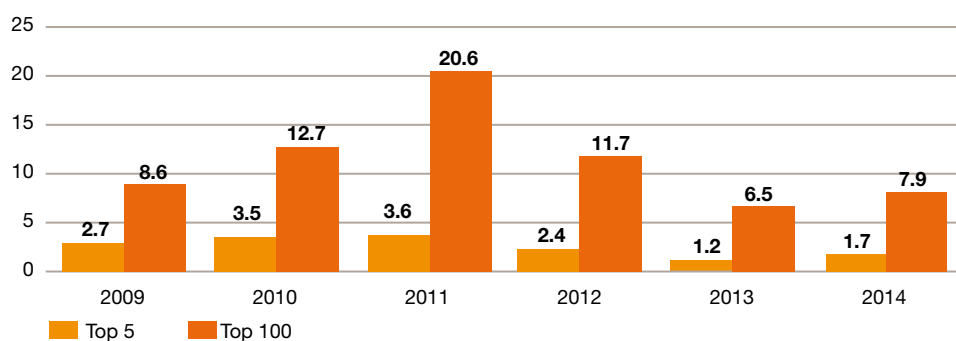
Top 5 analyzed

Market capitalization of Top 5

The chart below shows the total market capitalization (in billions) of the Top 100 mining companies listed on the TSXV and the total market capitalization of the Top 5. Since 2009, the Top 5 on average have

represented approximately 23% of the Top 100 mining companies. This year, the Top 5 represent 21% of the Top 100, up 3% from 2013.

Total market capitalization (TSXV mining companies)



| 2014 Top 5 companies | 2014 Market cap \$ millions | 2013 Market cap \$ millions | Change % | 2013 rank |
|---------------------------|-----------------------------------|-----------------------------------|----------|-----------|
| 1 Lumina Copper Corp. | 434 | 211 | 106% | 4 |
| 2 Fission Uranium Corp. | 405 | 97 | 318% | 17 |
| 3 Bear Creek Mining Corp. | 279 | 157 | 78% | 6 |
| 4 Gold Reserve Inc. | 276 | 214 | 29% | 3 |
| 5 Reservoir Minerals Inc. | 275 | 109 | 152% | 15 |

| 2013 Top 5 companies | 2013 Market cap \$ millions | 2012 Market cap \$ millions | Change % | 2012 rank |
|--------------------------|-----------------------------------|-----------------------------------|----------|-----------|
| 1 Sierra Metals Inc. | 368 | 409 | -10% | 5 |
| 2 Copper Fox Metals Inc. | 238 | 450 | -47% | 3 |
| 3 Gold Reserve Inc. | 214 | 203 | 5% | 13 |
| 4 Lumina Copper Corp. | 211 | 383 | -45% | 7 |
| 5 Largo Resources Ltd. | 157 | 109 | 44% | 30 |

Top 5 companies

Two companies remain in the Top 5 on the list in 2014, compared to last year: Lumina Copper Corp. and Gold Reserve Inc. What happened to the other three? One company, Sierra Metals Inc., has graduated to the TSX, while Largo Resources Ltd. and Copper Fox Metals Inc. dropped down to No. 6 and No. 20, respectively. The changes reflect the volatility of the sector. Consider that Largo shares increased by about 60% between the end of June 2013 and end of June 2014. Next year's list will also change after First Quantum Minerals

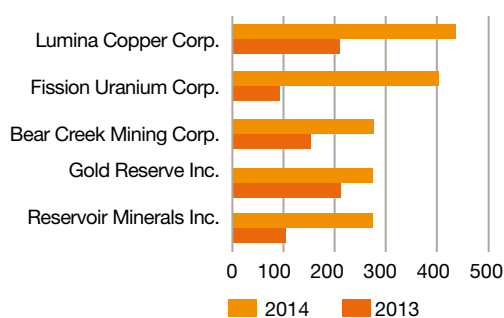
announced on August 19, 2014, that it had successfully acquired Lumina Copper Corp. Fission Uranium will not be on the list either, after graduating to the TSX in October 2014.

The movement in the Top 5 is also representative of the movement across the Top 100. In 2014, 32 companies are new to the Top 100, including 3 companies in the Top 20; North American Nickel Inc. (No. 16), Jaguar Mining Inc. (No. 17) and Athabasca Minerals Inc. (No. 18). Over half (53) of Top 100 companies in 2014 are new to the in the last two years.

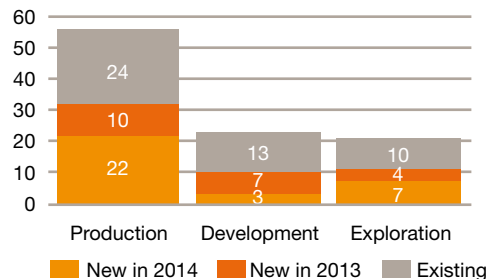
Of the 68 companies still in the Top 100 this year compared to last year, 30 saw their market capitalization move (up or down) by more than \$25 million. As a whole, these 68 companies had a net increase in market capitalization of \$1.6 billion. This is more than the Top 100 increase as a whole, which shows the new 32 companies who have just arrived on the scene contributed less market capitalization than their predecessors.

Among the newcomers, 22 were exploration companies, 3 developers and 7 producers.

Top 5 Market capitalization (2014 and 2013)



Top 100 – Newcomers



Fission Uranium finds the right balance between building and exploring

The past three years have been challenging for most commodities, but few have been hit quite as hard as uranium.

The Fukushima disaster in Japan resulted in an oversupply of uranium on the global market, which caused the price to drop from about US\$70 per pound just prior to Fukushima to a nine-year low of US\$28 in the summer of 2014. It's recently risen to more than US\$35 per pound.

While the outlook for the commodity is improving, with Japan set to slowly restart its reactors, and a worldwide nuclear reactor construction boom led by China, uranium companies continue to struggle.

Juniors in particular have looked for ways to ride out the industry rut. Some companies have taken advantage of the lower valuations to revamp their corporate structures, picking up and/or selling off assets along the way.

Consider the case of Kelowna, B.C.-based Fission Uranium Corp., which closed a friendly merger with Alpha Minerals in December 2013. The plan of arrangement helped Fission Uranium Corp. buy the 50% interest in the Patterson Lake South (PLS) joint venture it didn't already own in Saskatchewan's uranium-rich Athabasca Basin. According to the company, PLS is a world-class uranium discovery due to its high grades, shallow depth and sheer size. This has led to a staking rush that the Athabasca Basin hasn't seen since the 1970s, which has resulted in tens of millions of dollars being spent on exploration in the region in recent years.

The deal came about eight months after Fission Uranium was spun out in another transaction: Denison Mines Corp.'s purchase of Fission Energy, which closed in April 2013.

Fission Uranium Corp.'s chairman and CEO Dev Randhawa says the merger and acquisition activity better positions the company for when the recovery does take hold.

"We believe the uranium price will continue to go up and that's why we've been aggressive," says Dev. "Our fundamental belief is that uranium will always be part of the global energy mix."

Prices have increased more than 30% since the summer of 2014, but have yet to reach the level, around US\$70, where most uranium mines are profitable.

Until then, Fission Uranium Corp. will continue to explore the PLS property and raise money where it can, readying for the day when supply and demand needs are better balanced.

For example, the company closed a US\$12 million bought private placement in September 2014, which followed a US\$25 million private placement in April 2014.

Dev says the key to raising money is getting in front of investors and really listening to both the positive and negative feedback they have about the company and its goals.

"Times have been very difficult, but we've been able to take investors money wisely," he says.



Dev Randhawa
Chairman and CEO
Fission Uranium

What's more, the company announced in October that it had received final approval for its common shares to be listed and start trading on the TSX.

A strong team also helps. Dev has a strong track record of growing resource, mining exploration and energy companies. He was named Northern Miner Magazine's "Mining Person of the Year" in 2013 and EY "Entrepreneur of the Year Finalist" earlier this year, alongside Fission Uranium's president, COO and chief geologist Ross McElroy. In 2007, Dev spun Fission Energy out of another company he founded in 1996, Strathmore Minerals Corp., to focus on uranium exploration in Saskatchewan. He was chairman and CEO of Fission Energy until engineering the sale of its Waterbury Lake uranium discovery and other assets to Denison Mines in 2013, while simultaneously spinning out Fission Uranium.

Fission Uranium's Ross McElroy was co-awarded The Northern Miner's "Mining Person of the Year 2013" and also received the highly prestigious PDAC 2014 Bill Dennis Award for leading the team that made the Patterson Lake South discovery.

"Ross' knowledge, skills and experience, and the quality of the technical team he has assembled, has been critical to our success," says Dev. "We try to balance between building and exploring. Our goal is to always do what makes the most sense based on what's happening in the market."

IPOs, graduations, and delistings

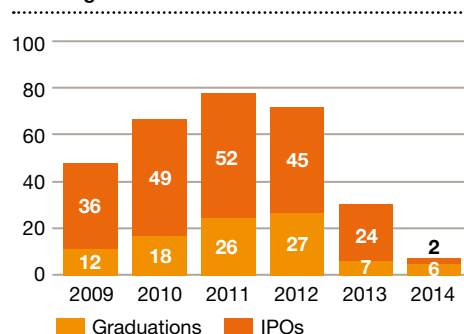
It was another challenging year for Initial Public Offerings (IPOs) in the junior mining space.

The number of mining IPOs on the TSXV was down significantly for this reporting year ended June 30, 2014 compared to the same period a year earlier. There were only 2 IPOs in the period. That compares to 24 IPOs in last year's report and a similar number in 2012.

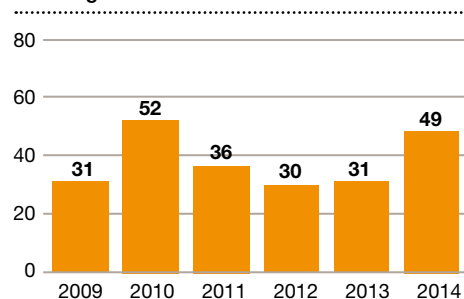
Graduations to the TSX were also down to six in 2014 (three exploration companies and three producers), compared to seven in 2013. That compares to 27 graduations in 2012. As market capitalizations fall, juniors are finding it increasingly challenging to meet equity requirements for the TSX.

The number of companies delisted from the TSXV nearly doubled in 2014 to 49, up from 31 in 2013. Of the 49 companies delisted, 28 companies were involved in a merger or amalgamation, 20 requested to delist, and 1 failed to pay its TSXV dues. This isn't the story of a multitude of delistings that some anticipated, but does show that some companies have failed to keep the lights on. With many companies operating on even less cash in the second half of 2014, we could see similar number of delistings in the year ahead.

Annual graduations & IPOs



Delistings



Largo's rare product secures a bright future



Mark Brennan
CEO, Largo Resources

In a market where many junior miners have been forced to hit the pause button on their projects waiting for commodity prices to recover, Largo Resources Ltd. is moving ahead thanks to its rare product and some unique financing.

Toronto-based Largo recently announced its first shipment of vanadium pentoxide from its Maracás Menchen Mine located in Bahia State, Brazil. Vanadium is primarily used as an alloy to strengthen steel and reduce its weight. Maracas boasts the highest-grade of the resource in the world.

"To watch the plant come to life and generate product has been very rewarding," says CEO Mark Brennan. "It's been very stressful and to a certain extent it's been a lot of fun."

Some of that stress stems from trying to advance the project during the prolonged downturn, which put a squeeze on financings amid a lack of investor confidence.

Largo has struggled alongside other junior miners, but found ways to open doors in an environment where many remain shut.

The company won Project Finance magazine's Latin American Mining and Metals Deal of the Year Award in 2012 for the financing of Maracás led by Brazilian banks (BNDES, Itau BBA, Banco Votaritim, Bradesco). It was also the first greenfield mining project ever to be fully financed by Brazilian banks. The transaction, which totalled \$556 million Brazilian Reais (about \$256 million) was cited for uniqueness and complexity, not to mention overcoming tough financing conditions for junior miners. Largo also closed a \$17 million non-brokered private placement of common shares in December 2013.

"We've had strong support from Brazil," says Mark. "They see the growth prospects for Maracás."

What also helps attract investor interest, is that Largo is positioned to be the lowest cost producer in the growing vanadium market. The metal has achieved a compound annual growth rate of more than six per cent for the past several years. That trend is expected to continue as the steel industry looks to stronger and lighter products for advanced applications.



“It’s a commodity of the future for steel companies and we’re well positioned to meet their needs,” says Mark.

Construction of Maracás started in June 2012 and production commenced in August 2014. Production volumes are expected to increase steadily over the next year with the goal of reaching the Project’s Phase 1 capacity of 9,600 tonnes annually. The forecast after that is an average annual production of 11,400 tonnes.

Also working in the company’s favour is a take-or-pay off-take agreement with Glencore International Plc. for 100% of its vanadium material for 6 years.

“The focus now is driving more product to the system, increasing recoveries and making sure everything continues on schedule,” says Mark.

Largo will remain focused on Maracás, but also has interests in a portfolio of other projects, including a 100% interest in the Currais Novos Tungsten Tailings Project in Brazil, a 100% interest in the Campo Alegre de Lourdes Iron-Vanadium Project in Brazil, and a 100% interest in the Northern Dancer Tungsten-Molybdenum property in Canada’s Yukon territory.

The company is spending limited money on its Northern Dancer tungsten project, but sees a future for the project and growing prospects for the metal. Like many others in the industry who are spending less on future prospective projects and focusing on core assets, Northern Dancer and the other projects are on hold as Largo continues to focus on its flagship Maracás Project.



Balance sheet

Aggregated balance sheets for the Top 100 companies as at June 30

| Balance sheet | Production | | | Development | | | Exploration | | |
|---|------------------|------------------|-------------|------------------|------------------|-------------|------------------|------------------|-------------|
| | 2014 \$ '000 | 2013 \$ '000 | Change | 2014 \$ '000 | 2013 \$ '000 | Change | 2014 \$ '000 | 2013 \$ '000 | Change |
| Number of companies | 21 | 15 | 40% | 23 | 31 | -26% | 56 | 54 | 4% |
| Current assets | | | | | | | | | |
| Cash & ST investments | 188,971 | 227,748 | -17% | 185,484 | 309,262 | -40% | 593,409 | 675,206 | -12% |
| Accounts receivable | 73,535 | 113,643 | -35% | 23,886 | 32,552 | -27% | 25,731 | 44,012 | -42% |
| Inventory | 123,236 | 114,373 | 8% | 5,976 | 7,647 | -22% | – | 13,607 | -100% |
| Other current assets | 23,019 | 35,798 | -36% | 25,275 | 33,438 | -24% | 8,522 | 9,452 | -10% |
| Total current assets | 408,761 | 491,562 | -17% | 240,621 | 382,899 | -37% | 627,662 | 742,277 | -15% |
| Non-current assets | | | | | | | | | |
| Property, plant & equipment | 1,465,161 | 2,037,366 | -28% | 1,169,083 | 1,264,242 | -8% | 1,862,653 | 1,682,390 | 11% |
| Investments | 13,915 | 15,008 | -7% | 46,277 | 81,233 | -43% | 21,393 | 42,728 | -50% |
| Other non-current assets | 99,199 | 73,835 | 34% | 35,048 | 101,690 | -66% | 124,017 | 78,126 | 59% |
| | 1,578,275 | 2,126,209 | -26% | 1,250,408 | 1,447,165 | -14% | 2,008,063 | 1,803,244 | 11% |
| Total assets | 1,987,036 | 2,617,771 | -24% | 1,491,029 | 1,830,064 | -19% | 2,635,725 | 2,545,521 | 4% |
| Current liabilities | | | | | | | | | |
| Accounts payable and accrued liabilities | 124,138 | 126,674 | -2% | 46,856 | 64,281 | -27% | 58,776 | 65,496 | -10% |
| Current borrowing | 94,705 | 129,519 | -27% | 134,869 | 69,423 | 94% | 8,836 | 12,300 | -28% |
| Other current liabilities | 50,004 | 39,588 | 26% | 65,745 | 23,897 | 175% | 12,625 | 20,116 | -37% |
| Total current liabilities | 268,847 | 295,781 | -9% | 247,470 | 157,601 | 57% | 80,237 | 97,912 | -18% |
| Non-current liabilities | | | | | | | | | |
| Long-term debt | 191,275 | 604,291 | -68% | 252,227 | 135,496 | 86% | 41,858 | 38,375 | 9% |
| Other non-current liabilities | 193,324 | 311,153 | -38% | 36,901 | 46,718 | -21% | 110,823 | 148,473 | -25% |
| Total liabilities | 653,446 | 1,211,225 | -46% | 536,598 | 339,815 | 58% | 232,918 | 284,760 | -18% |
| Non controlling interests | 30,204 | 249,218 | -88% | 2,181 | 9,339 | -77% | 13,276 | 21,828 | -39% |
| Total equity | 1,333,590 | 1,406,547 | -5% | 954,431 | 1,490,249 | -36% | 2,402,807 | 2,260,760 | 6% |
| Total liabilities & shareholders' equity | 1,987,036 | 2,617,772 | -24% | 1,491,029 | 1,830,064 | -19% | 2,635,725 | 2,545,520 | 4% |

| | Total | | | |
|---|------------------|------------------|------------------|-------------|
| | 2014 | 2013 | Change \$ | Change % |
| Current assets | | | | |
| Cash & ST investments | 967,864 | 1,212,216 | (244,352) | -20% |
| Accounts receivable | 123,152 | 190,207 | (67,055) | -35% |
| Inventory | 129,212 | 135,627 | (6,415) | -5% |
| Other current assets | 56,816 | 78,688 | (21,872) | -28% |
| Total current assets | 1,277,044 | 1,616,738 | (339,694) | -21% |
| Non-current assets | | | | |
| Property, plant & equipment | 4,496,897 | 4,983,998 | (487,101) | -10% |
| Investments | 81,585 | 138,969 | (57,384) | -41% |
| Other non-current assets | 258,264 | 253,651 | 4,613 | 2% |
| | 4,836,746 | 5,376,618 | (539,872) | -10% |
| Total assets | 6,113,790 | 6,993,356 | (879,566) | -13% |
| Current liabilities | | | | |
| Accounts payable and accrued liabilities | 229,770 | 256,451 | (26,681) | -10% |
| Current borrowing | 238,410 | 211,242 | 27,168 | 13% |
| Other current liabilities | 128,374 | 83,601 | 44,773 | 54% |
| Total current liabilities | 596,554 | 551,294 | 45,260 | 8% |
| Non-current liabilities | | | | |
| Long-term debt | 485,360 | 778,162 | (292,802) | -38% |
| Other non-current liabilities | 341,048 | 506,344 | (165,296) | -33% |
| Total liabilities | 1,422,962 | 1,835,800 | (412,838) | -22% |
| Non controlling interests | 45,661 | 280,385 | (234,724) | -84% |
| Total equity | 4,690,828 | 5,157,556 | (466,728) | -9% |
| Total liabilities & shareholders' equity | 6,113,790 | 6,993,356 | (879,566) | -13% |

Balance sheet highlights

Total assets of the Top 100 fell 13% to \$6.1 billion in 2014, largely driven by the decrease in cash and property, plant and equipment assets.

The cash position of the Top 100 mining companies fell 20% to just below \$1 billion, compared to \$1.2 billion in 2013 and \$1.9 billion in 2012.

Producers saw the steepest drop in cash balances, or an average per production company of \$9 million, down 41% from \$15 million. The average cash balance per development company fell 19% to \$8 million, while exploration companies saw a drop of 15% to \$11 million.

The property, plant and equipment (PPE) balance of the Top 100 mining companies was \$4.5 billion, down 10% from \$5.0 billion in 2013, driven by the \$0.5 billion decrease in PPE assets held by production companies due to the mix of companies in the Top 100. Exploration companies increased their PPE by \$0.2 billion to \$1.9 billion.

Total liabilities across the Top 100 have decreased by \$0.4 billion to \$1.4 billion, thanks to a drop in long-term debt of \$0.3 billion.

Both exploration and development companies increased their long-term debt, while the production companies reduced it by nearly 70% to \$191 million.

Income statement

Aggregated income statements for the Top 100 companies for the year ended June 30

| Income statement | Production | | | Development | | | Exploration | | |
|--|-----------------|-----------------|--------|-----------------|-----------------|--------|-----------------|-----------------|--------|
| | 2014 \$ '000 | 2013 \$ '000 | Change | 2014 \$ '000 | 2013 \$ '000 | Change | 2014 \$ '000 | 2013 \$ '000 | Change |
| Number of companies | 21 | 15 | 40% | 23 | 31 | -26% | 56 | 54 | 4% |
| Total revenue | 681,054 | 856,289 | -20% | 14 | 12,204 | -100% | 9,284 | 3,291 | 182% |
| Cost of production | 483,332 | 587,273 | -18% | 6,716 | 23,651 | -72% | 8,024 | 6,094 | 32% |
| General and administration | 108,978 | 115,497 | -6% | 68,098 | 103,107 | -34% | 140,049 | 139,875 | 0% |
| Exploration expense | 11,295 | 13,106 | -14% | 20,931 | 33,562 | -38% | 97,225 | 116,610 | -17% |
| Stock-based compensation | 5,351 | 7,956 | -33% | 6,258 | 12,782 | -51% | 37,494 | 54,072 | -31% |
| Other (Income) expense | (184,344) | 31,298 | -689% | 34,764 | (23,767) | -246% | 1,671 | (72,381) | -102% |
| | 424,612 | 755,130 | -44% | 136,767 | 149,335 | -8% | 284,463 | 244,270 | 16% |
| Interest income | 3,073 | 4,686 | -34% | 3,024 | 4,517 | -33% | 5,864 | 6,920 | -15% |
| Write down of mineral properties & exploration | (122,218) | (25,586) | 378% | (13,407) | (12,892) | 4% | (97,024) | (48,533) | 100% |
| Other gains (loss) | (59,779) | 112,022 | -153% | 1,280 | (2,519) | -151% | (2,019) | (2,778) | -27% |
| | (178,924) | 91,122 | -296% | (9,103) | (10,894) | -16% | (93,179) | (44,391) | 110% |
| EBITDA | 74,445 | 187,595 | -60% | (148,880) | (152,542) | -2% | (374,222) | (292,290) | 28% |
| Amortization & depreciation | 91,869 | 144,967 | -37% | 1,966 | 3,029 | -35% | 4,795 | 5,287 | -9% |
| Interest expense | 82,714 | 89,905 | -8% | 17,086 | 14,519 | 18% | 860 | 3,882 | -78% |
| Loss before tax | (97,065) | (42,591) | -128% | (164,908) | (165,573) | 0% | (374,013) | (294,539) | 27% |
| Income tax expense (recovery) | 15,127 | 33,244 | -54% | (7,470) | 3,723 | -301% | 8,817 | 9,901 | -11% |
| Net loss | (112,192) | (75,835) | 48% | (157,438) | (169,296) | -7% | (382,830) | (304,440) | 26% |

| Total | | | | |
|--|-----------|-----------|-----------|----------|
| | 2014 | 2013 | Change \$ | Change % |
| Total revenue | 690,352 | 871,784 | (181,432) | -21% |
| Cost of production | 498,072 | 617,018 | (118,946) | -19% |
| General and administration | 317,125 | 358,479 | (41,354) | -12% |
| Exploration expense | 129,451 | 163,278 | (33,827) | -21% |
| Stock-based compensation | 49,103 | 74,810 | (25,707) | -34% |
| Other (Income) expense | (147,909) | (64,850) | (83,059) | 128% |
| | 845,842 | 1,148,735 | (302,893) | -26% |
| Interest income | 11,961 | 16,123 | (4,162) | -26% |
| Write down of mineral properties & exploration | (232,649) | (87,011) | (145,638) | 167% |
| Other gains (loss) | (60,518) | 106,725 | (167,243) | -157% |
| | (281,206) | 35,837 | (317,043) | -885% |
| EBITDA | (448,657) | (257,237) | (191,420) | 74% |
| Amortization & depreciation | 98,630 | 153,283 | (54,653) | -36% |
| Interest expense | 100,660 | 108,306 | (7,646) | -7% |
| Loss before tax | (635,986) | (502,703) | (133,283) | 27% |
| Income tax expense (recovery) | 16,474 | 46,868 | (30,394) | -65% |
| Net loss | (652,460) | (549,571) | (102,889) | 19% |

Income statement highlights

The overall net loss for the Top 100 in 2014 was \$0.7 billion, which was 19% deeper in the red from 2013. Volatile commodity prices are to blame for a drop in production and revenues, which also led to an increase in write-downs across the sector. Revenues fell 21% to \$690 million from \$872 million in 2013, which had already suffered a 25% drop from 2012 revenue of \$1.2 billion. Operating costs also fell 26% in 2014, driven by a drop in production costs in line with production levels, general and administration expenses (G&A) and exploration expenses. G&A expenses decreased for all miners, with the exception of exploration companies, whose expenses were flat year over year at about \$140 million or \$2 million per company. Exploration companies had already reduced G&A to minimum levels in the prior year. The average G&A expense for the production companies fell to \$5 million in 2014 from \$8 million in 2013. The average G&A expense for the development companies fell 10% to \$3 million in 2014 as companies continue to focus on cost reduction.

Write-downs of mineral properties and exploration assets increased 167% to \$233 million, versus \$87 million. This increase was largely driven by significant write-downs at two companies (one explorer and one producer), which together accounted for about two-thirds of the total write-downs in 2014. Over half of the companies had no write-downs, and another 25% of companies had write-downs of less than CA\$1 million.

Cash flow statement

Aggregated cash flow statements for the Top 100 companies for the year ended June 30.

| Cash flow statement | Production | | | Development | | | Exploration | | |
|---|------------------|------------------|-------------|------------------|------------------|--------------|------------------|------------------|-------------|
| | 2014 \$ '000 | 2013 \$ '000 | Change | 2014 \$ '000 | 2013 \$ '000 | Change | 2014 \$ '000 | 2013 \$ '000 | Change |
| Number of companies | 21 | 15 | 40% | 23 | 31 | -26% | 56 | 54 | 4% |
| Net loss | (112,191) | (75,836) | 48% | (157,439) | (169,294) | -7% | (382,831) | (304,440) | 26% |
| Non-cash items | 325,191 | 312,036 | 4% | 27,351 | 34,507 | -21% | 157,381 | 84,474 | 86% |
| Working capital changes | (15,418) | (38,323) | -60% | 7,838 | 3,607 | 117% | 8,407 | 3,063 | 174% |
| Other operating activities | (147,994) | (110,646) | 34% | 29,701 | (963) | -3184% | (1,006) | (32,320) | -97% |
| Net cash provided by (used in) operating activities | 49,588 | 87,231 | -43% | (92,549) | (132,143) | -30% | (218,049) | (249,223) | -13% |
| Capital expenditures | (268,040) | (345,606) | -22% | (193,242) | (310,242) | -38% | (217,634) | (347,567) | -37% |
| Sale of property, plant & equipment | 7,926 | 6,026 | 32% | 7,185 | 79,001 | -91% | 9,805 | 51,964 | -81% |
| Cash acquisitions (net of cash acquired) | 11,407 | (5,767) | -298% | – | (9,162) | -100% | 12,979 | 53,388 | -76% |
| Investment in marketable & equity securities | (1,124) | (7,837) | -86% | 41,540 | (26,422) | -257% | (60,532) | 17,451 | -447% |
| Other investing activities | 21,253 | (6,750) | -415% | (11,674) | (51,563) | -77% | (29,713) | (23,018) | 29% |
| Cash used in investing activities | (228,578) | (359,934) | -36% | (156,191) | (318,388) | -51% | (285,095) | (247,782) | 15% |
| Debt issued | 133,241 | 463,100 | -71% | 233,027 | 151,553 | 54% | 12,956 | 78,854 | -84% |
| Debt repayment | (109,852) | (186,673) | -41% | (21,852) | (50,865) | -57% | (14,299) | (26,480) | -46% |
| Net issue (repurchase) of shares | 146,173 | (312,556) | -147% | 85,600 | 256,646 | -67% | 453,319 | 442,354 | 2% |
| Dividends paid | (3,978) | (9,880) | -60% | – | – | 0% | – | (1,699) | -100% |
| Other financing activities | (17,517) | 152,709 | -111% | (8,597) | (35,947) | -76% | 714 | (9,195) | -108% |
| Cash provided by financing activities | 148,067 | 106,700 | 39% | 288,178 | 321,387 | -10% | 452,690 | 483,834 | -6% |
| Effect of exchange rate | 472 | 1,070 | -56% | (1,573) | (998) | 58% | 2,463 | (516) | -577% |
| Net increase (decrease) in cash and cash equivalents | (30,451) | (164,933) | -82% | 37,865 | (130,142) | -129% | (47,991) | (13,687) | 251% |

| | Total | | | |
|---|------------------|------------------|-----------------|-------------|
| | 2014 \$ '000 | 2013 \$ '000 | Change \$ | Change % |
| Net loss | (652,461) | (549,570) | (102,891) | 19% |
| Non-cash items | 509,923 | 431,017 | 78,906 | 18% |
| Working capital changes | 827 | (31,653) | 32,480 | -103% |
| Other operating activities | (119,299) | (143,929) | 24,630 | -17% |
| Net cash provided by (used in) operating activities | (261,010) | (294,135) | 33,125 | -11% |
| Capital expenditures | (678,916) | (1,003,415) | 324,499 | -32% |
| Sale of property, plant & equipment | 24,916 | 136,991 | (112,075) | -82% |
| Cash acquisitions (net of cash acquired) | 24,386 | 38,459 | (14,073) | -37% |
| Investment in marketable & equity securities | (20,116) | (16,808) | (3,308) | 20% |
| Other investing activities | (20,134) | (81,331) | 61,197 | -75% |
| Cash used in investing activities | (669,866) | (926,104) | 256,240 | -28% |
| Debt issued | 379,224 | 693,507 | (314,283) | -45% |
| Debt repayment | (146,003) | (264,018) | 118,015 | -45% |
| Net issue (repurchase) of shares | 685,092 | 386,444 | 298,648 | 77% |
| Dividends paid | (3,978) | (11,579) | 7,601 | -66% |
| Other financing activities | (25,400) | 107,567 | (132,967) | -124% |
| Cash provided by financing activities | 888,935 | 911,921 | (22,986) | -3% |
| Effect of exchange rate | 1,362 | (444) | 1,806 | -407% |
| Net increase (decrease) in cash and cash equivalents | (40,577) | (308,762) | 268,185 | -87% |

Cash flow highlights

Juniors in the Top 100, not surprisingly, used less cash in 2014 than 2013. Net cash used on operating activities was \$261 million in 2014, compared to \$294 million in 2013, as juniors continue to work with less. Producing companies managed to achieve positive operating cash flows of \$50 million in 2014, while developing and exploration companies had net operating cash outflows of \$93 million and \$218 million, respectively.

For the Top 100, net cash used in investing activities was \$670 million, a 28% decrease from the \$926 million in 2013 with companies not having the cash to spend on exploration and development. Within this, producing companies used \$228 million (versus \$360 million in 2013), exploration companies used \$156 million (versus \$318 million in 2013), and exploration companies used \$285 million (versus \$248 million).

Total cash provided by financing activities fell 3% to \$889 million for the Top 100 mining companies. Within this, production companies had cash provided of \$148 million (on average \$7 million per entity), development companies had cash provided of \$288 million (on average \$12 million per entity) and exploration companies had cash provided of \$453 million (on average \$8 million per entity). The cash proceeds were derived from debt issued of \$379 million and net share issues of \$685 million. The cash provided by financing activities included net debt repayment of \$146 million, of which \$110 million was repaid by the 21 producers.

Financing overview, including cash balances

Financing is critical for all mining companies, but especially for juniors. It's the backing needed for the next drilling program or to move the company from being an explorer to a developer, or from a developer to a producer. Finding that funding continues to be an uphill battle for junior miners. The cash provided by financing activities fell 3% in 2014 to \$889 million, or an average of \$9 million per entity for the Top 100. That was after a 34% drop in 2013, compared to 2012, as investors remain skeptical of the high risk-reward proposition of the junior mining sector. The majority of equity raisings were a series of private placements throughout the year, with few public offerings.

Equity

The Top 100 raised a total of \$685 million through equity financings in 2014, or an average of \$7 million per entity. That total compares to \$795 million in equity financings in 2013 (after adjusted for a \$402 million share repurchase by one company in 2013). More than half of the proceeds raised in 2014 were by the top 26 companies on our list.

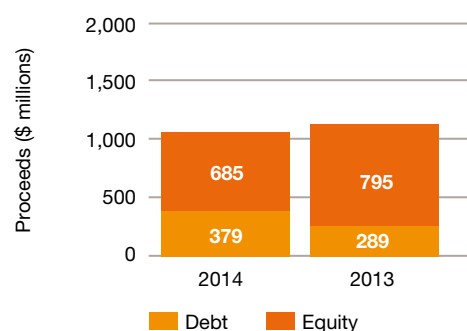
In 2014, the largest financing was nearly \$70 million raised by True Gold Mining Inc., which is No. 9 on our Top 100 list. Three companies repurchased common shares for nearly \$15 million, the largest being Copper Fox Metals Inc. (No. 20) for \$10 million.

Across the Top 100 exploration, development and production companies the equity financing raised on average was \$8 million, \$4 million and \$7 million per entity, respectively.

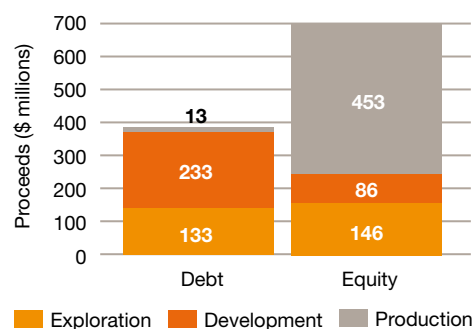
Other statistics of note:

- Five companies raised more than \$30 million each, totaling \$226 million, or 33% of the Top 100 total. They were a combination of bought deal financings (\$71 million), private placements (\$59 million), and one fully marketed prospectus (\$33 million)
- Twenty-six companies raised equity net proceeds of more than \$10 million each, amounting to \$534 million, or 78% of the Top 100 total.
- Eighty-three of the Top 100 companies raised financing through equity issuances.

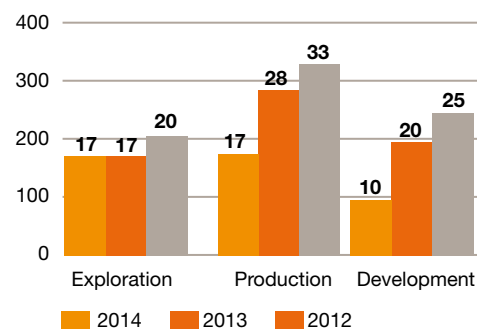
Proceeds from financing



Top 100 – Cash raised from financing (2014)



Average equity raised (by companies that raised at least \$5 million in net proceeds)



Debt

The amount of money raised through debt financings among the Top 100 in 2014 was \$379 million, or an average of about \$4 million per entity. That's up from \$289 million in 2013 (after adjusting for a \$402 million share repurchase transaction funded by debt). The proceeds raised in 2014 were driven by three of the Top 100 that issued debt with 24 companies issuing debt of the Top 100.

On average, the exploration, development and production companies that issued debt collected \$2 million, \$23 million and \$12 million per entity, respectively.



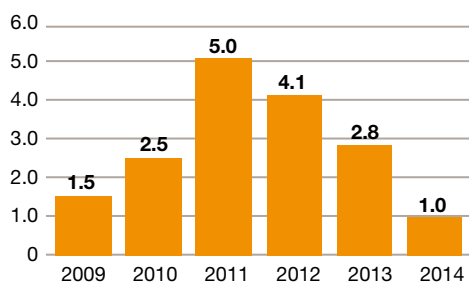
Other statistics of note:

- Four companies issued debt for proceeds greater than \$30 million each, amounting to \$259 million, or 68% of the total for the Top 100.
- A further 6 companies issued debt for proceeds between \$10 million and \$30 million each, amounting to \$85 million.
- A further 8 companies issued debt for proceeds over \$1 million each, amounting to \$33 million.

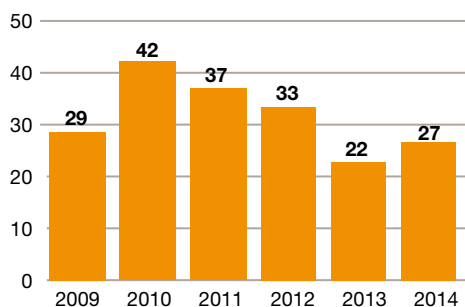
Cash

The key financial number for the junior sector at present is cash. As these graphs show the total cash balances of the Top 100 are at a six year low. While both the top 10 and bottom 10 companies' cash balances are slightly up over 2013, on average the Top 100 have only \$10 million on hand at June 30, 2014. This balance gets significantly less once you go below the Top 100. Waiting out uncertainty becomes tough for the junior sector at such levels. We look forward to better times ahead.

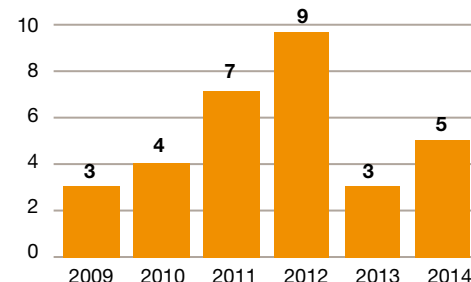
Total cash & ST investments balance of the Top 100 (\$ billions)



Average cash balance for the Top 10 (\$ millions)



Average cash balance for the Bottom 10 (\$ millions)



Mining Excellence at PwC

Delivering local solutions to global challenges

The mining sector is facing a range of competing trends and a rapidly changing global business environment. Against the backdrop of commodity price fluctuations, miners need to balance shareholder dividend expectations whilst maintaining an investment pipeline in the midst of increasing operating costs. Safety, environmental and community principles also continue to shape the industry as miners look to achieve their licence to operate and deliver on corporate responsibilities.

Mining Excellence at PwC has been designed to mobilise and leverage our collective global knowledge and connections to deliver an exceptional and tailored client experience, helping our clients navigate the complex industry landscape and meet their growth aspirations. Our team of specialists is exclusively focused on the sector and brings an industry-based approach to deliver value for you and your organisation.

“The positive story for miners is that the long-term growth fundamentals remain in tact. But, mining companies are facing significant downward pressure. As an industry, we need to fully address the confidence crisis, before we are able to move on to the next phase of the cycle.”

John Gravelle, PwC Global Mining

Mining Excellence provides our clients:

leading edge knowledge and global thought leadership

With significant investment in the research behind our mining publications and a comprehensive industry learning and development program, our professionals can share both industry and technical insight with our clients, such as:

- A library of industry publications designed to help challenge conventional thinking and delve into topical industry issues. This includes:
- global thought leadership publications including Mine and Mining Deals
- flagship territory publications focused on regional and industry-specific issues



- an extensive industry development program for our people and clients. This features our annual learning and development programs:
- Americas School of Mines (North America)
- London School of Mines (United Kingdom)
- Asia School of Mines (Hong Kong)

connections to our vast network of mining experts and global client portfolio

We have the widest network of industry experts who work out of strategic mining hubs across the globe to help better connect you to vital mining markets.

Our connections provide:

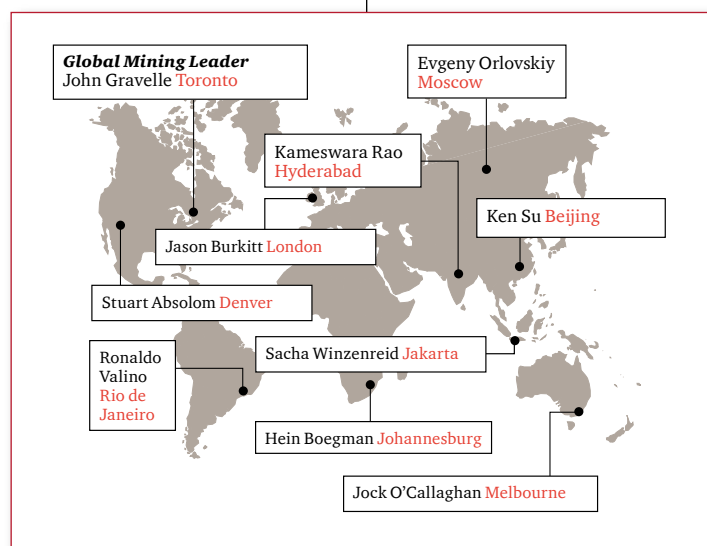
- seamless client service delivered with collaborative cross-border account management
- maximized deal potential through a well-connected global community of mining leaders
- a mobile workforce to ensure effective service delivery in even the most remote mining locations.

the delivery of an experience that meets our clients' definition of 'value'

With mining experts working around the globe, our award winning teams are helping clients deliver on specific projects and organizational growth aspirations. We offer advisory, tax and audit services to global corporations and locally listed companies.

Mining Excellence at PwC complements this with:

- a suite of niche mining consulting capabilities focused on optimizing value across mining operations and effectively managing risk to help our clients grow their business and deliver shareholder value
- a comprehensive client feedback program to ensure we are always improving and delivering on individual client needs.



Contacts

John Gravelle

Global Mining Leader

416 869 8727

john.gravelle@ca.pwc.com

Dean Braunsteiner

Leader, Toronto Mining and National IPO services

416 869 8713

dean.braunsteiner@ca.pwc.com

Mark Platt

Leader, B.C. Mining

604 806 7093

mark.r.platt@ca.pwc.com

Nochane Rousseau

Leader, Quebec Mining

514 205 5199

nochane.rousseau@ca.pwc.com

Liam Fitzgerald

Mining Tax Leader

416 869 2601

liam.m.fitzgerald@ca.pwc.com

Calum Semple

Consulting Leader for the Americas

416 815 5325

calum.k.semple@ca.pwc.com

Key contributors**James Lusby**

416 365 8181

james.m.lusby@ca.pwc.com

Sarah Dobenko

416 815 5248

sarah.dobenko@ca.pwc.com

Gileny Diaz Soza

416 941 8383 ext. 13180

gileny.i.diaz.soza@ca.pwc.com

Sources

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