

BDO 2016 GLOBAL MINING MIDDLE MARKET MONITOR

Signs of Optimism Creeping Back into a Pummeled Industry

Amid Many Challenges, Signs of Rebound Emerge



THE MEDIAN PRICE-EARNINGS RATIO

FELL 31% from 2010-2015, BUT GREW 15% from 2014-2015



MEDIAN EXPLORATION EXPENDITURE

DECLINED 48% from 2010-2015, BUT IS UP 17% from 2014



While **MEDIAN CASH BALANCE AND SHORT TERM INVESTMENTS** were **DOWN 26%** from 2010 to 2015, they **INCREASED 2%** in the last year

Incomes and Revenues Slip, but Middle Market Fares Better than Mining Giants



MEDIAN PRETAX INCOME

DOWN 167% from 2014
DOWN 116% from 2010



MEDIAN NET INCOME

DOWN 215% from 2014
DOWN 127% from 2010

These changes resulted in a **MEDIAN EFFECTIVE TAX RATE OF 0%** (down from a high of 17.8% in 2011)



MIDDLE MARKET GLOBAL MEDIAN REVENUE

FELL 10% from 2014, but **INCREASED 23%** from 2010 levels



Meanwhile, **MEDIAN REVENUE FOR THE 28 LARGEST COMPANIES FELL 16%**

And grew just **4%** from 2010

Despite Positive Signs, Investors Remain Wary

MEDIAN MARKET CAPITALISATION

DECREASED 73%



2010-2015

DECREASED 32%



2014-2015

Comparatively, **SUPERMAJORS' MEDIAN MARKET CAPITALISATION DECREASED SLIGHTLY MORE**

DECREASED 37%



2014-2015

The **2016 BDO Global Mining Middle Market Monitor** reviews and analyses financial data reported by 528 publicly traded middle market mining and diversified metals companies from 61 country and international stock exchanges from 2010 to 2015. Countries represented include Argentina, Australia, Canada, China, Greece, Hong Kong, India, Indonesia, Japan, South Africa, South Korea, Taiwan, the United Kingdom and the United States, among others.

The companies analysed reported revenues up to \$1 billion, with median revenue of \$127 million.

Data was gathered from S&P Capital IQ. All monetary data was converted to U.S dollars.

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