



Global mining sector raises \$80bn-plus in three years despite turbulence

While the past three years have been particularly challenging for mining, the sector continues to attract new funding, says global mining and research company SNL Metals & Mining analyst Chris Galbraith.

He says that evaluating financings by the destinations of capital raised shows that the regional distribution is hardly static but that some clear trends can be identified in the geographical distribution of funds from January 2013 through to March this year.

Galbraith notes that, while the 2013/14 period was relatively consistent in total funds raised for mining and exploration, 2015 has so far been off to a troubled start.

During the past nine quarters (January 2013 to March 2015), SNL tracked \$82.92-billion in financing for mining and exploration operations worldwide.

SNL also identified the intended global destinations of those financings, either definitively for projects mentioned in company releases, or estimated with help from SNL's 2013 and 2014 Corporate Exploration Strategies studies.

The analysis includes financings for all metals and minable commodities, including precious and base metals, iron-ore, uranium, coal, potash, phosphates and speciality metals, such as rare-earth elements, graphite and lithium.

Except where application to a specific mining project was mentioned by the company raising

Global mining sector raises \$80bn-plus in three years despite turbulence

Written by Logan Drilling Group

Sunday, 26 July 2015 01:52 - Last Updated Sunday, 26 July 2015 02:01

funds, SNL excluded senior debt in excess of \$500-million, as Galbraith explains it usually represents the shuffling of accounts and not direct project financing.

The Asia/Middle East region received the most funding during the period at 20%, or \$16.9-billion, followed by Latin America with 17%, or \$14.1-billion, and Australia with 15%, or \$12.8-billion.

The remainder was rounded out by Canada at 14%, the US at 12%, Europe, including Russia and central Asia, at 10%, Africa at 8% and Pacific/South-East Asia at 3%.

Galbraith points out that of the about \$17-billion destined for Asia/Middle East targets, almost two-thirds of the funding came from Asian/Middle Eastern companies primarily with headquarters in China.

“Although Canadian companies raised the most during the period at \$22.1-billion, less than one-third was allocated domestically. Despite the tough times, Canadian miners continue to focus on assets outside their home turf.”

He highlights that, by contrast, African and Latin American companies spent 82% and 96% of their funds respectively within their home regions.

However, Galbraith notes that of Africa’s \$6.6-billion total, only 12% was sourced domestically from African companies; in Latin America, 28% of the region’s \$14.1-billion came from Latin American companies.

The \$39.8-billion raised in 2014 was 4% higher than the \$38.2-billion raised in 2013 and the year-on-year changes varied regionally.

While Australia and Pacific/South-East Asia held relatively steady in both years, Asia/Middle East increased 19% from \$7.43- billion in 2013 to \$8.8-billion in 2014.

Global mining sector raises \$80bn-plus in three years despite turbulence

Written by Logan Drilling Group

Sunday, 26 July 2015 01:52 - Last Updated Sunday, 26 July 2015 02:01

Galbraith highlights that these two regions are important for also being the domestic markets for the majority of the world's miners and explorers with listings on the ASX, TSX, Hong Kong and Shanghai exchanges.

"Canada experienced the most dramatic shift, as it more than doubled funds raised from \$3.2-billion in 2013 to \$6.5-billion in 2014.

"Financings targeted at Latin America declined 13% year-on-year from \$6.8-billion in 2013 to \$6- billion in 2014, and Africa as a target fell by almost a quarter from \$3.6-billion in 2013 to \$2.8- billion in 2014," he points out.

Source: MiningWeekly.com [July 21, 2015](#).