Global Exploration Trends

- Overview of recent exploration trends
  - Global
  - Latin America

- Longer-term impact of declining exploration and capital investment
  - Discovery rates
  - Development pipeline
  - Time from discovery to production

- Expectations for 2015 exploration
  - Juniors’ access to capital
  - Majors’ strategies
  - Current outlook
Corporate Exploration Strategies study is the acknowledged source for worldwide exploration budgets and strategies

- 25th edition of CES in 2014
- More than 3,500 companies surveyed
- Companies spending more than US$100,000/year on nonferrous exploration
- Precious and base metals, diamonds, uranium, PGM, some industrial minerals
- Analysis covers about 95% of global nonferrous exploration

Our services also include
- Comprehensive database of projects, mines, companies (>36,000 properties)
- Mine Economics – detailed cost models and industry cost curves
- Industry and commodity research
- Consulting
Worldwide Nonferrous Exploration Spend vs. Metals Prices

Nonferrous Exploration Total

SNL Metals & Mining Indexed Metals Price

Indexed Metals Price (1993=1)

Nonferrous Exploration (US$ bil)

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Exploration by Company Type
(as percent of annual total)
Exploration by Target (% of annual total)
Latin America Base Metals Exploration (% of annual total)

- **Copper**
- **Zinc**
- **Nickel**

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Where is Copper Exploration Focused?

47 other countries and regional allocations account for 5.2%.
Worldwide Exploration by Stage
(as percent of annual total)

- Grassroots
- Late Stage
- Minesite

Graph shows the percentage of exploration activities at each stage from 2005 to 2014.

- Grassroots: Generally remained stable at around 30%.
- Late Stage: Showed a decline from 40% to 38%.
- Minesite: Increased from 10% to 30%.

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Amount of Copper Found in Significant Discoveries

incomplete data in recent years

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The Development Pipeline is Slowing

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In-situ Resource Value of Status Changes (US$ billion)

SNL Indexed Metals Price

SNL Metals & Mining Indexed Metals Price (June 2008 = 1)

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Commodity Prices Remain Lower

Ten-Year Prices

Left scale: Nickel (US$/t)
Right scale: Gold (US$/oz), Aluminum (US$/t), Zinc (US$/t)

General retreat since mid-2014
Major Producer’s Budget as a Percent of Revenue

[Graph showing the trend of average budget-to-revenue percentage and average budget from 1995 to 2014.]
Worldwide Exploration Spend vs. Metals Prices

- 2015 Forecast Exploration
- SNL Annual Indexed Metals Price

Estimated Worldwide Exploration Total (US$ Billion):
- 1989 to 2015

Annual Indexed Metals Price (1989=1):
Thank You

Booth 491

www.snl.com/metals

+1 866-296-3743

SNLInfo@SNL.com

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