

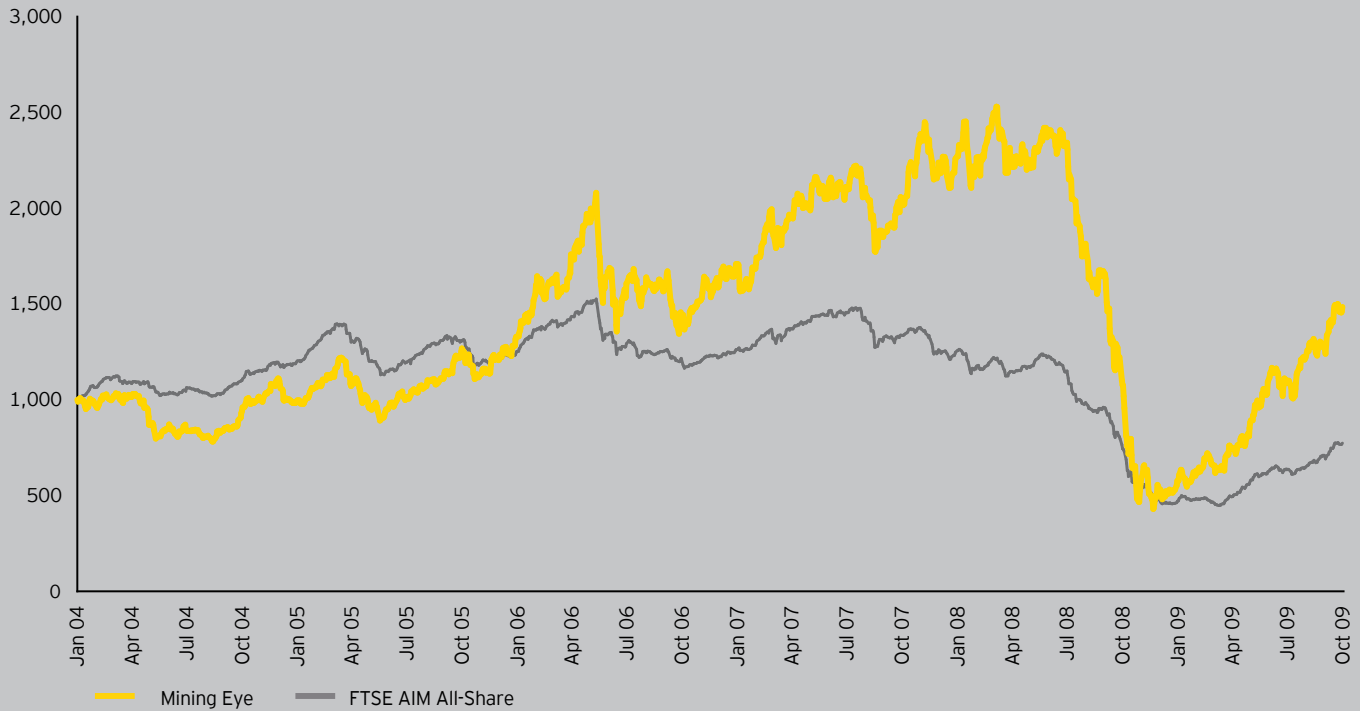
AIM miners: survival of the fittest

November 2009



The Mining eye

Relative performance of the Ernst & Young Mining eye index



Source: Ernst & Young, Thomson Datastream

Ernst & Young's Mining eye index tracks the performance of the 20 largest mining companies on AIM by market value. Each quarter we review the index constituents and provide analysis and commentary on the index's performance and wider trends among the junior mining companies on AIM.

Mining eye

Q3 2009

Ernst & Young's Mining eye index monitors the performance of AIM mining companies on a weekly basis and can be viewed at www.ey.com/uk/miningeye. Movements and analysis of the index are reported in this quarterly publication.

Ernst & Young also produces a similar index for the oil and gas sector, which can be viewed at www.ey.com/uk/oilandgaseye.

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Q3 2009: back to basics

- The Mining eye index continued its 2009 growth story with a gain of 30% over the third quarter, outperforming the wider AIM market by 14%. Mining companies have led the recovery of AIM since the start of the year.
- For the fifth consecutive quarter, there were no mining IPOs on AIM. However, follow-on issues by already-listed companies raised proceeds of £2.3bn, a positive step towards 'pre-crisis' levels of fundraising.
- The quarter was busy with operational updates as companies with cash focused on the development of core projects and the pursuit of growth opportunities. This represents a welcome progression from the operational hiatus that dominated reviews in late 2008 and early 2009.
- Deal activity in the sector continued apace, with AIM miners being both targets and acquirers. Some companies made small acquisitions at the project level, while others pursued mergers to create value from the consolidation of complementary projects and resources. In turn, some of AIM's largest companies became targets for the major mining companies. The AIM mining universe continues to evolve, following a pivotal period in the market's history.
- The recovery of share and metals prices has been surprisingly swift, but capital markets have been much slower to recover. Exploration companies continue to face difficulties in raising equity capital. This is likely to result in further delistings, liquidations and disposals. It will require a consistent period of stability in share and metals prices for new equity funding to become available, particularly to explorers, at anything like the profit levels seen previously.

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Quality In Everything We Do

The Mining eye can be viewed at www.ey.com/uk/miningeye

To receive our quarterly updates, please register on the website.

We also produce a similar index for the oil & gas sector, which can be viewed at www.ey.com/uk/oilandgaseye

Survival of the fittest

AIM, ASX, JSE and TSX miners series.

This is the latest in a series of Ernst & Young papers which provide brief overviews of AIM, ASX, JSE and TSX listed companies and look at the impact of the global financial crisis on the companies, the knock-on funding challenges, as well as the opportunities that have arisen.

To view these papers, visit www.ey.com/miningandmetals

This paper, an update to our August 2008 publication, *AIM miners: the bigger the better*, provides a snapshot of mining companies on AIM, the London Stock Exchange's international market for smaller, growing companies. In this update, we explore the size and scale of the companies, the nature of their operations and their financial health.

The global economic downturn has had a profound impact on AIM's junior mining sector. In late 2008, metals prices plummeted, market valuations collapsed and equity markets became too difficult to access. Cash was consumed, operations were mothballed or disposed of and exploration and development activity was halted indefinitely. The impact of the credit crunch on the financing of exploration and development activity has significant implications for the future supply of new sources of metals and minerals.

Metal and share prices have made a steady recovery over the year to date. Nevertheless, we estimate that, at the end of September 2009:

- ▶ 40% of AIM's miners had less than £1m in cash on their most recent balance sheets
- ▶ Over a third have some level of short-term debt owing
- ▶ Nearly 75% are still trading below their issue price

Furthermore:

- ▶ There have been no IPOs and 31 delistings in the sector since July 2008
- ▶ Of the delistings, 54% were for "adverse" reasons and 41% a consequence of M&A activity

The AIM mining universe is evolving, following a pivotal year in its history. Junior miners have been forced to rethink financing strategies, sustainably reduce costs and optimize their project portfolios. Companies are increasingly looking to each other to secure the future of their assets through share-based mergers and acquisitions. The stronger are emerging from the downturn both as attractive takeover targets for the majors, and as acquirers and consolidators themselves.

The latest cycle in the evolution of the mining and metals industry has created casualties but also opportunities for individual companies and the AIM mining universe as a whole to emerge stronger and fitter.

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2008-09: collapse and recovery

Junior mining companies have been one of AIM's great success stories. 2005 and 2006 were "boom" years for mining companies on London's growth market. One hundred companies joined the market in those years, attracted by the market's "light touch" approach to regulation and the promise of access to London's "substantial and diverse" investment community. At its peak, the mining sector accounted for around 20% of the AIM market by value. Over £7.5b has been raised from IPOs and secondary offerings in the AIM mining sector since 2004.

Back in August 2008, in *The bigger the better*, we described the beginnings of a discernible but steady retreat by investors from the junior mining sector. Share prices were starting to fall back from the record highs achieved earlier in that year, and exploration and development companies were finding it more difficult to raise capital to finance their activities.

We could not have anticipated the scale and speed of the devastation that swept up the junior miners in its wake. Fears of global recession and weakening demand for industrial metals caused metal prices to fall at an unexpectedly severe and sudden rate, while the global financial crisis created a tightening of debt and equity markets. Forced selling by hedge funds, massive destocking and an urgent aversion to risk triggered a collapse in market valuations.

The result was that by October 2008, AIM's junior miners were trading at record lows. The sector was the poorest performer across London's junior market, and companies were no longer raising capital at the previous prolific levels. To use our now well-quoted phrase, the market conditions of late 2008 polarized into the "haves" (the cashed-up) and the "have-nots" (the cash-constrained). The have-nots faced a critical inability to raise sufficient funds for working capital, leading to the demise and de-listing of a number of AIM's most junior juniors.

A year on, we look now at the size and scale of AIM's junior miners and their financial health in a very different light, and consider the lessons from change that will shape the way these companies do business in the post-crunch world.

Lessons from change



Restoring growth in the mining and metals industry

Our mining and metals partners from our member firms around the world conducted more than 500 client meetings which revealed a series of strategic actions the industry is taking to position itself for success. Not all of their lessons from change may be original, but they are increasing in importance as mining and metals companies strive not only to survive but thrive in the new economic environment.

For more information, visit:

www.ey.com/lessons-from-change or www.ey.com/miningandmetals



Who are the AIM miners?

AIM is currently¹ host to 147 mining sector companies, which form the basis of the discussion in this paper, plus a further 12 mining-related companies (mining services and mining-focused investing companies). Of this 159-strong “universe,” 72% have AIM as their primary market of listing, while 41% of all companies are also listed on another exchange (commonly, the Toronto, Australian and Johannesburg exchanges).

In marked contrast to the exchanges of Toronto and Australia, which have historically been resources-heavy, reflecting their domestic industries, only two of AIM’s miners have operations in the UK. Nevertheless, 56% of AIM’s junior miners have chosen to come to market as UK PLCs, thereby subject to UK company law and potentially eligible for eventual inclusion in the UK’s FTSE investment indices.

Geographically widespread

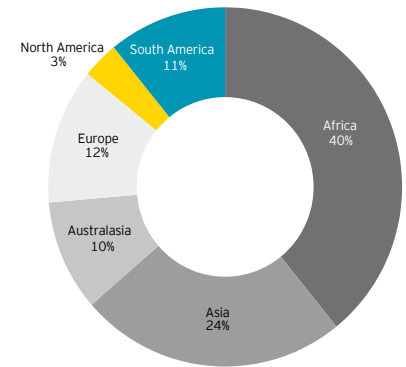
The assets of these junior companies are geographically widespread, with a broad operational focus that spans all of the major metals and mineral groups. Over half of the value of the AIM mining universe is invested in projects in Africa. Asian countries are the second most popular location for operations, accounting for 24% by number. Junior companies by nature have a greater inclination and flexibility than their larger peers to operate in politically “risky” but resource-rich locations.

Broad commodity focus

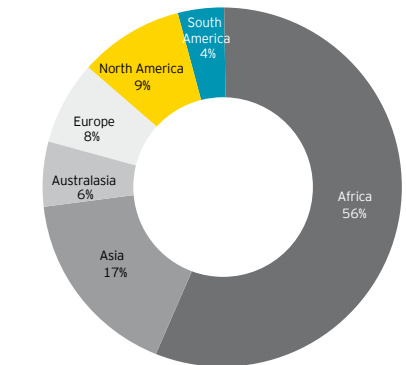
Gold is the primary commodity among AIM’s miners. Thirty-seven percent of companies are primarily focused on gold, and nearly half (47%) have gold in their asset portfolio. Gold companies weighted our Mining eye index by 42% at the end of September 2009. In the wider universe of mining companies on AIM, gold companies account for 42% by value (followed by coal companies at 15%).

At the start of 2009, it appeared that gold companies would be the only ones able to attract investor interest and raise capital. Gold remained attractive as an investment, relative to other metals and to a weakened US dollar, and it became apparent that investors were also willing to plough funds into the underlying asset. Nearly 50% of the value of funds raised in the year to September has been by companies with a focus on gold.

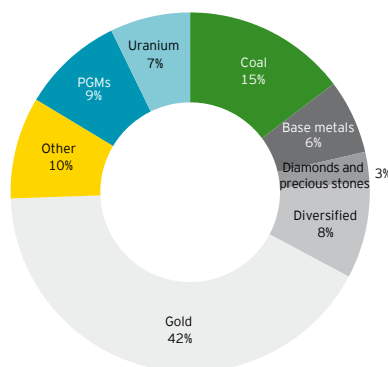
Primary geography of operation by number of companies



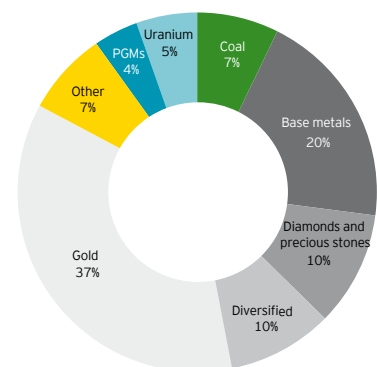
Primary geography of operation by value of companies



Primary commodity focus by value



Primary commodity focus by number



¹ As at 30 September 2009

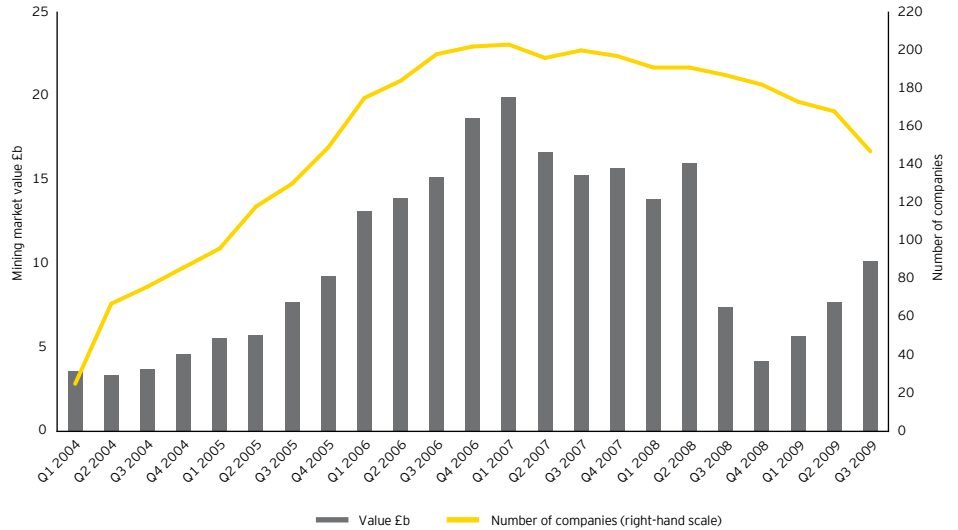
Scale

Mining companies on AIM range from early-stage explorers, through brownfield developers, to emerging and established producers. Most of them are in the cash-burn stage of the evolutionary cycle, with only around 15% of companies currently in production, and thus able to generate all-important cash flow and earnings.

This diversity is reflected in the spread of market values across the sector. In the years 2005 to 2008, the distribution followed a broadly similar pattern, with the majority of companies having a market value of between £20m and £50m, and very few with a value greater than £500m.

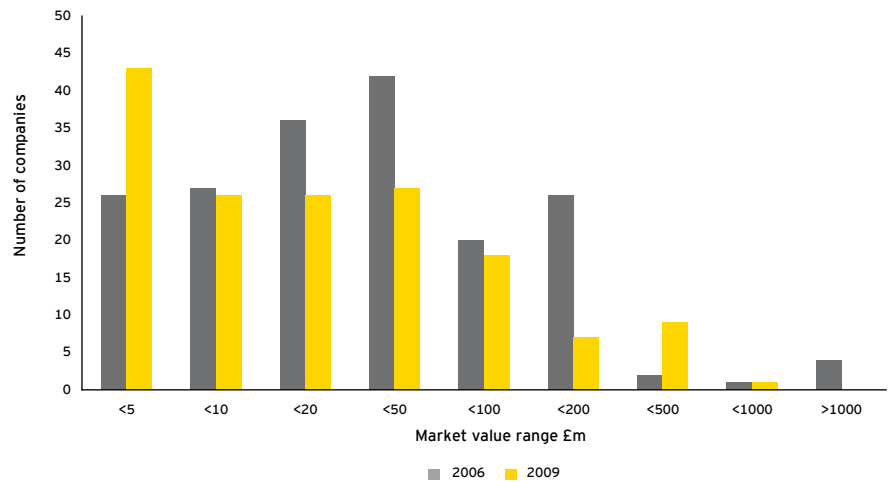
However, this trend changed in 2009, with a significantly higher proportion of companies moving down into the <£5m market capitalization range. This is a reflection of the impact of the catastrophic collapse in market values over the latter half of 2008, which was seemingly indiscriminate, affecting large and small companies alike.

Value and size of the AIM mining universe, 2004-09



Source: Ernst & Young, Thomson Datastream

Change in distribution of market values on AIM, 2006 and 2009



Source: Ernst & Young, Thomson Datastream. Market values at mid-year point.

Nearly half of AIM's miners had a market value of less than £10 million at 30 September 2009.

The shrinking universe

The number of mining companies on AIM has decreased steadily since Q3 2007, reflecting the mounting imbalance between the number of new companies joining the market and the number of companies leaving. Also, the value of the universe dropped dramatically in Q4 2008, falling back to 2005 levels. This was a direct result of the global economic crisis, rather than attributable to a decline in the number of mining companies on AIM.

Thirty-one mining companies have delisted from AIM since July 2008, and for the first year in AIM's history, in 2008 more companies (across all sectors) left AIM than joined.

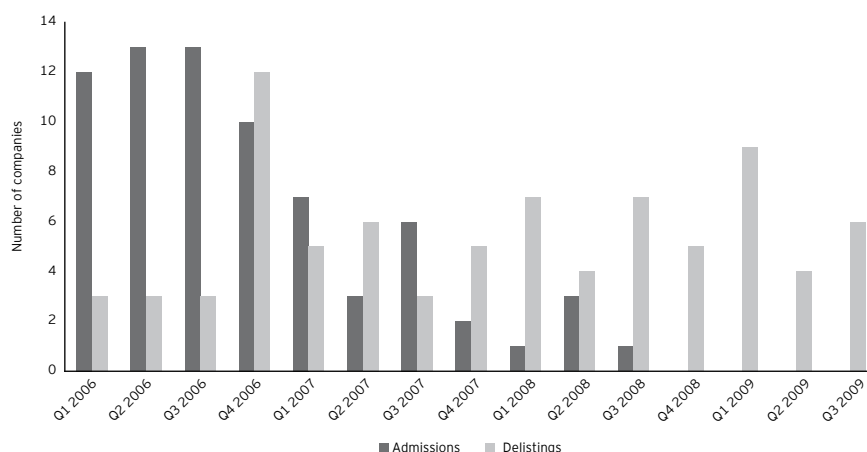
It is important to note that companies leave AIM for a variety of reasons, including takeovers, graduations to the Main Market and following capital restructuring or change of business.

However, delistings for reasons other than takeover or graduation have played an increasing role over the last six months or so, both directly and indirectly, as a consequence of the market conditions. A number of mining companies cited the impact of the economic and credit crisis on the mining sector in general for their decision to delist, while others delisted due to insolvency or near-insolvency. The most commonly-given reasons for delisting were:

- ▶ "The financial costs and regulatory burden of maintaining the listing outweigh the benefits in the current market conditions."
- ▶ "AIM is not currently an effective platform for accessing capital."
- ▶ "Poor trading liquidity."
- ▶ "Resignation of Nominated Advisor (Nomad)."

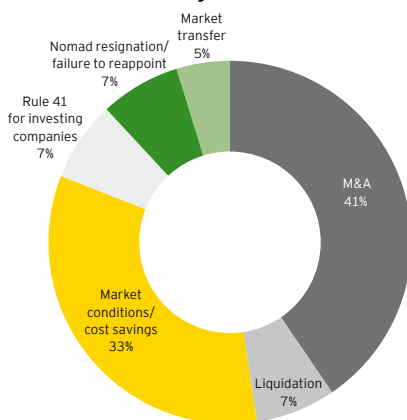
The reasons for delisting highlight the important role of AIM's Nomads. Nomads act as the market's "guardians," responsible for assessing a company's appropriateness for listing on AIM, and for advising companies on their own

AIM mining new admissions and delistings since 2006



Source: Ernst & Young analysis of AIM Market Statistics
Excludes readmissions and transfers to and from the London Main Market

AIM mining delistings since January 2008 - reasons for delisting



Cancellation of listing, after six month suspension of share trading, following failure to make an acquisition.

responsibilities in accordance with AIM rules. Companies must appoint and retain a Nomad in order to be eligible for listing on AIM, and should the incumbent Nomad resign from its position, have one month within which to appoint a replacement.

In the mining sector, 2009 saw a number of Nomad resignations and failures to appoint replacements, leading to cancellation of listings. In general, Nomad resignations are a signal of the advisor's

There have been no IPOs and 31 delistings in the sector since July 2008. At least half of these delistings were due to the adverse market conditions.

loss of confidence in the suitability of that company for public listing.

Compounding the impact of increasing delistings was the dearth of new companies joining the market. There have been no mining IPOs on AIM since that of Sunkar Resources in June 2008. Indeed, this trend is reflected on the global scene, with a significant decline in the number of new mining companies coming to market.

Share prices fall

In our August 2008 paper, we analyzed the performance of the share prices of AIM's miners since IPO, to understand how the companies had fared as investments. The analysis revealed that two-thirds of AIM's miners were trading below their issue price.

The same analysis performed at the end of September 2009 reveals the extent to which the credit crunch erased value for investors. Just under three-quarters of AIM's mining companies were trading below their issue price. Furthermore, over half (51%) of AIM's miners were trading at a price more than 50% below their issue price, compared with 29% a year ago. Just 27% of companies made a net return for shareholders over their period of public listing.

The performance of shares over the latter half of 2008 was inevitably impacted by the metals prices. AIM's Basic Resources index and the Mining eye index lost 75% over the latter half of 2008 led by a 59% decline in the LME metals, as represented by the LME index.

Perhaps more damaging, however, was the apparent fracture of the fundamental relationship between operational performance and share price performance.

The falls in prices were indiscriminate, affecting established and speculative companies alike. The usual catalysts for an uplift in share price, such as positive drilling results or first production, were either disregarded against a wider backdrop of risk aversion, or used as an opportunity to sell positions. Volatility in share prices makes companies vulnerable to takeover and presents challenges around the pricing of deals and IPOs.

However, since January 2009, share prices have started to recover, in some cases quite spectacularly. AIM's Basic Resources index and the Mining eye index have gained 155% and 157% respectively. This recovery is perhaps a natural correction to the severe falls of the closing months of 2008, but a tentative and sustained recovery in the prices of key metals suggests a level of market confidence in the longer-term fundamentals of demand.

This confidence, coupled with growing evidence of a return to "business as usual" for some in the sector, could reinvigorate the traditional risk/reward investment model for junior miners and make the sector attractive to risk seeking investors once more.

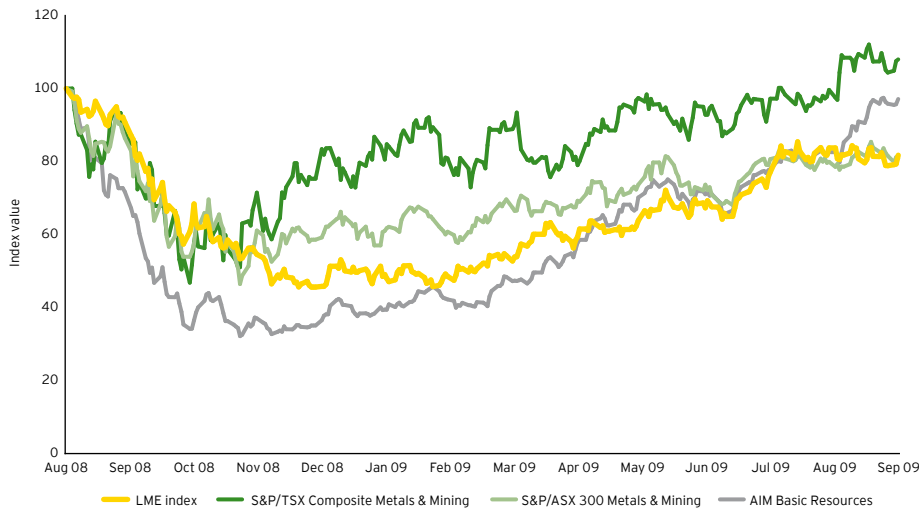
Performance of shares since listing (to end September 2009)



Source: Ernst & Young, Thomson Datastream

Nearly three-quarters of AIM's miners were trading below their issue price at 30 September 2009.

Relative performance of mining indices and the LME index, last 13 months



Source: Ernst & Young, Thomson Datastream

Note: The FTSE AIM Basic Resources index comprises mining, forestry and paper companies. The index is approximately 98%-weighted by mining companies.

Cash and burn

In August 2008, we estimated that 16% of AIM's miners had less than £1m in cash on their balance sheets. An approximation based on the most recent available balance sheets of AIM's miners reveals a significant decline in cash balances. We now estimate that 40% of AIM's miners have less than £1m in cash on their balance sheets, and a further 33% have between just £1m and £5m.

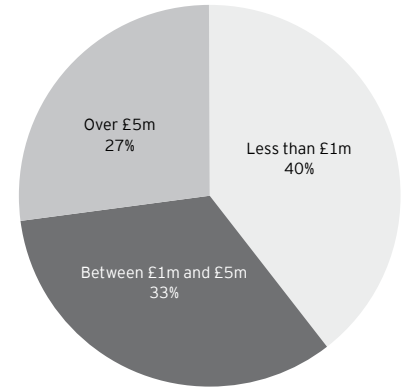
The majority of companies are operating at the cash-burn stage of development. Following the effective closure of equity markets to explorers, historically their primary source of capital, the ability to replenish funds and ensure positive working capital, let alone invest for growth, has been much diminished.

Companies have taken swift and decisive action to curb costs and conserve cash, on the supposition that sourcing funds will remain a challenge for the foreseeable

future. Projects have been put on care and maintenance, headcounts reduced, and nonessential assets disposed of. Nevertheless, working capital remains an issue, and many companies are faced day by day with the challenge of maintaining the funds needed to stay afloat.

Debt on the balance sheet brings added risk. Nearly a third of AIM's junior miners have some level of short-term debt to repay or refinance in the coming months. Over half of the mining universe has some form of debt on its balance sheet, and around 5% have a greater debt obligation than market value. The risk for indebted companies in such times is all too real, and 2009 has witnessed the frantic negotiations of a number of junior borrowers with lenders: to secure breathing space, reduce or reschedule repayments, and ultimately to cling on to assets that were used as security. Not all were successful.

Estimated cash balances at September 2009



Source: Ernst & Young analysis of company information, based on latest reported balance sheets

40% of AIM's miners had less than £1 million cash on their latest balance sheets.

Wall of debt



Our latest report covers the debt level of mining companies over the last 30 years and the impact of economic cycles on the appropriate level of debt as a form of financing. It examines some of the real concerns around both the burden of repayment and the restriction of capital investment. We also consider what damage has been caused by the over-borrowing:

- ▶ How many years' of supply growth have been lost through development?
- ▶ Will the "borrowers" ever catch up with those now sitting on cash?
- ▶ How long before we see the return of mega-mergers, or indeed mass-scale M&A?

To read the full report, please visit our web site at www.ey.com/miningandmetals

Financing the future

The global downturn has forced junior miners to rethink their strategies for raising cash to fund growth and development. At its zenith in 2006 and 2007, even early stage, speculative companies were able to raise growth capital on AIM. This market was acting in accordance with one of its primary functions, to help smaller and growing companies raise the capital they need for expansion. However, the global flight from risk by investors radically reduced the ability of some companies to raise equity capital. As we have seen, IPOs have been nonexistent since Q2 2008, and secondary fundraising for juniors declined significantly over the second half of last year.

The effective closure of such a crucial source of finance, combined with falling metals prices, exposed the vulnerability of junior explorers. This has longer-term implications for global exploration spend and the supply of new sources of metals and minerals.

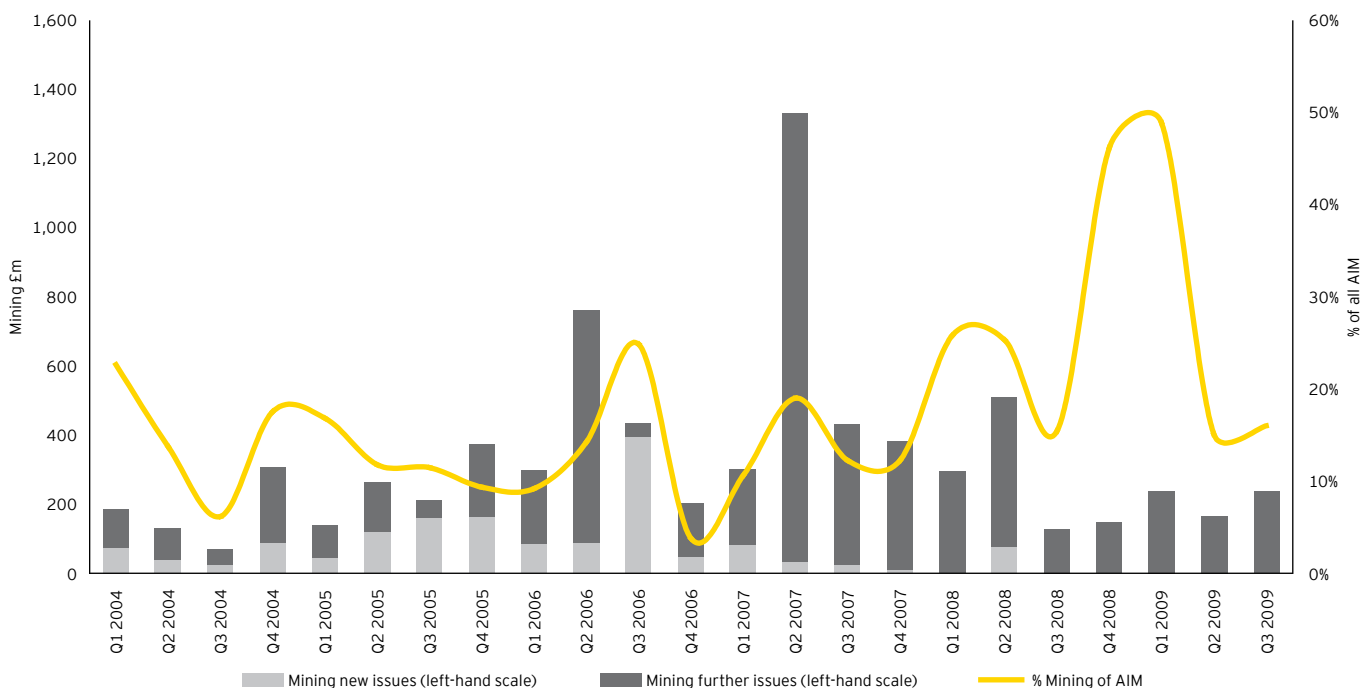
No longer able to rely on the willingness of equity markets to finance their exploration activities, AIM's miners therefore have had to seek out innovative and diverse methods of raising cash. These have included:

- ▶ Asset disposals
- ▶ Private capital partnerships

- ▶ Project finance from national lenders (private or state entities)
- ▶ Strategic investments by major mining companies
- ▶ Participation by downstream industry participants (e.g., steel makers, jewellery retailers)
- ▶ Investments by development agencies such as the International Finance Corporation
- ▶ Offtake agreements
- ▶ Share-based mergers

While access to capital remains a significant issue for many smaller companies, we are nonetheless seeing successful and significant fundraisings by companies with quality assets. Globally, there is a significant uplift in follow-on issues, with a concerted move back into equity as major companies now seek to diversify sources of finance away from debt. A number of huge rights issues from major mining companies have set 2009 on a course to be a record year for fundraising from secondary equity issues. This has positive implications for juniors at the other end of the scale as renewed investor interest in the sector may lead to a cautious return of appetite for risk capital. It also bodes well for a return of IPOs in due course.

Quarterly trend of funds raised on AIM – mining and all sectors



Source: Ernst & Young analysis of AIM market statistics

Consolidating opportunities

Some of AIM's larger mining companies, including Moto Goldmines, African Minerals and CAMEC, have become potential takeover targets this year for the major and mid-tier mining and metals companies, seeking to grow their resources or enter new markets. Majors also benefit from the junior's extensive expertise and experience on the ground: acquisition is about much more than the asset itself.

But as we emerge from the crisis, changing strategies and shifting priorities are reshaping the AIM mining landscape. In the absence of open-armed, deep-pocketed investors, companies are increasingly looking to each other to secure the future of their assets (both projects and people) and, in some cases, to seize opportunities for growth.

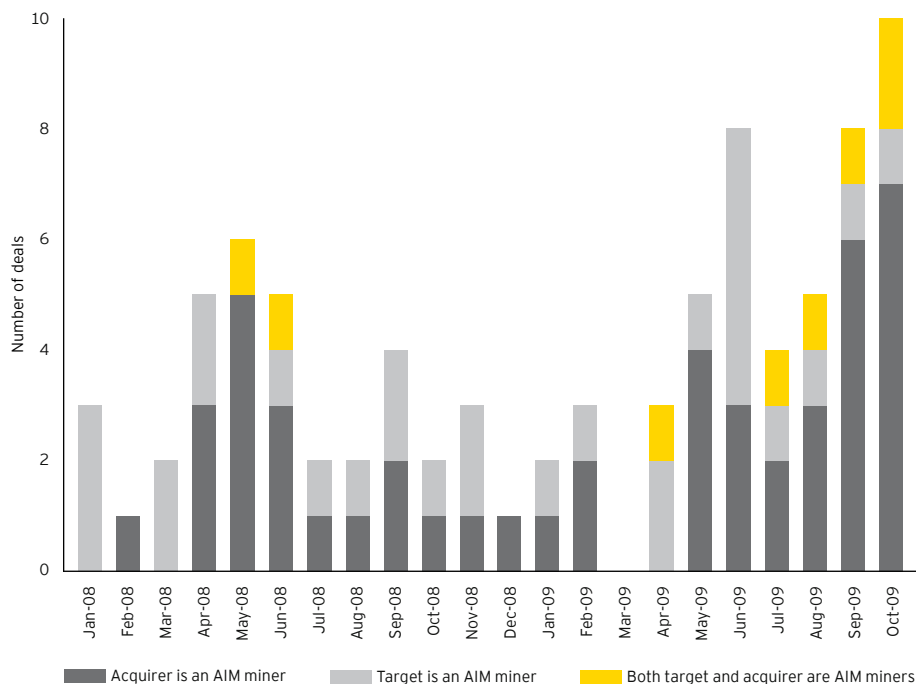
The chart below reveals an increase in the number of deals involving AIM miners completed in the second and third quarter of 2009. It also reveals the extent to which AIM's miners are emerging from the downturn not just as targets but as acquirers and consolidators.

The majority of this year's proposed deals are to be transacted via carefully arranged share swaps that avoid the immediate challenge of paying cash up front. Driving this activity is the desire by companies variously to:

- ▶ Survive
- ▶ Enter new markets
- ▶ Increase production and reserves
- ▶ Diversify geographical and commodity focus
- ▶ Mitigate risk
- ▶ Achieve competitive and/or defensive scale
- ▶ Exploit operational and cost synergies
- ▶ Benefit from vertical integration
- ▶ Pool financial resources
- ▶ Attain local or niche market leadership
- ▶ Gain critical mass and attract investor attention

The marriage of cash-rich and asset-rich makes sense, and presents significant opportunities for operational and organizational synergies. But for some, consolidation will also be about survival: about improving cost structures and reducing cash burn, even at the sacrifice of independence.

AIM mining deals since January 2008



AIM's miners are emerging from the downturn as acquirers and consolidators.

Source: Ernst & Young, Thomson Reuters

Looking ahead: lessons from change

Following a tumultuous 12 months, there are signs of a cautious recovery in metals and share prices as we move into the closing months of 2009. The mining sector is in a position to reflect on lessons learned from global downturn, and to focus on priorities for the coming year. A number of key challenges lie ahead for AIM's miners.

Cost containment

We believe that market fundamentals remain sound, but a continued focus on cost containment must remain a priority for majors and juniors alike. The challenge lies not only in sustaining the momentum of the initial wave of cost cutting that occurred at break-neck speed at a period when input costs were also falling; but also in ensuring that cost-containment measures are strategically driven, that they are sustainable and do not erode value.

We believe that upward cost pressures are likely to intensify in the coming year, which will add to the pain of those whose cost-cutting measures to date may turn out to be unsustainable.

Competition for capital

Demand, and therefore competition, for scarce capital will increase over the coming months, underlining the importance of investor relations, strong governance and transparency.

Companies need to build relationships with a broader range of potential stakeholders early on, and to become effective communicators with the market. Potential investors will be looking for greater and more frequent visibility around key financial and operational metrics such as cash flow, costs and production, along with evidence of sound management.

Portfolio optimization

The downturn forced companies across the sector, large and small, to revisit their project portfolios and re-assess the strategic importance of each asset. For some, this meant non-core disposals to release cash. For others, this meant moving the threshold of acceptable return for the risks assumed: projects that made the grade a year ago, when product prices were high, now simply do not stack up. A number of diversified companies re-prioritized investment according to commodity price movements, abandoning (for now) projects that were no longer economically viable under the new pricing and risk environment.

Some of the world's leading mining companies talk today about emerging from the downturn with a renewed focus on "Tier 1" assets - that is, long-life, low-cost assets that are profitable throughout the natural commodity price cycle. This is a lesson that can be applied more generally across the sector, even to the juniors. The downturn has created an opportunity for companies to emerge with a much more streamlined, cost-efficient portfolio of assets that is now fundamentally core to the company's revised and refocused strategy.

Doing the right deals, at the right price

Junior companies will unquestionably need to contemplate a deal strategy in these times, whether it is defensive or aggressive. Essential to this strategy will be the need for a clear understanding of value expectations. Ongoing uncertainty and differing views about the outlook for metals prices is resulting in sometimes wide variations in the valuations of mining properties. Share price volatility in particular makes deal valuation a challenge. Current share prices probably do not reflect management's view of the long-term value of the business (do they ever?). Preparation for transactions and due diligence will therefore be essential.

Those looking to acquire or merge must ensure that the deal reflects business strategy - whether it be to increase market share, enter new markets or realize operational and cost synergies. Targets and sellers should consider the strategic premium that buyers with a long-term view may be prepared to pay in the current market.

Endgame: survival of the fittest

In the latest cycle in the evolution of the mining and metals industry, we have seen the fall of the weak, but will also witness the rise of the fittest. The downturn has created not only casualties, but also opportunities for individual companies and the AIM mining universe as a whole to emerge stronger and fitter.

Consolidation in the junior mining space has long been anticipated, and has the potential to create financially secure companies better able to focus on the development of quality assets and to raise the required development capital. Individual companies with a clear strategy, streamlined business operations, an optimized asset portfolio and a leaner cost structure are well positioned to succeed in the next wave of the cycle.

The AIM mining universe

Company	Main countries of operation	Main commodities focus	Approximate stage			13m price change to 30 Sep 2009 ¹	Market value at 30 Sep 2009, £ millions ²
			E	D	P		
African Aura Resources	Liberia, Cameroon	Gold, iron ore	E	D		9%	25
African Consolidated Resources	Zimbabwe	Gold, nickel, platinum, phosphate, diamond	E	D		-3%	39
African Copper	Botswana	Copper	E	D		-38%	69
African Diamonds	Botswana, West Africa, DRC	Diamonds	E	D		-49%	20
African Eagle Resources	Tanzania, Zambia, Mozambique	Nickel, copper, gold	E	D		12%	14
African Minerals	Sierra Leone	Iron ore	E	D		209%	821
Alba Mineral Resources	Mauritania, Scotland, Ireland, Sweden	Uranium, gold, base metals	E			40%	2
Albidon	Zambia, Tanzania, Botswana, Tunisia	Nickel, zinc	E		P	-98%	3
Alexander Mining	Peru, Argentina	Copper, gold, silver, processing technology		NA		191%	17
Allied Gold	Papua New Guinea	Gold	E	D	P	81%	122
Altona Energy	Australia	Coal		D		45%	15
Amur Minerals Corp	Russia	Nickel	E			-28%	15
Angel Mining	Greenland	Zinc, gold, silver, lead	E	D		57%	8
Anglo Asian Mining	Azerbaijan	Gold, copper	E	D	P	26%	14
Archipelago Resources	Indonesia	Gold	E	D		-4%	100
Arian Silver	Mexico	Silver, gold, base metals	E			-60%	11
Ariana Resources	Turkey	Gold	E	D		7%	7
ATH Resources	UK	Coal			P	-70%	22
Atlantic Coal	USA	Coal			P	0%	9
Aurum Mining	Kyrgyzstan	Gold	E			197%	5
Avocet Mining	Malaysia, Indonesia, Burkina Faso, Guinea, Mali	Gold	E	D	P	-36%	145
Baobab Resources	Mozambique	Iron ore	E			16%	14
Beowulf Mining	Sweden	Iron ore, copper, gold	E			19%	3
Berkeley Mineral Resources	Zambia	Zinc, lead			P	NA	1
Berkeley Resources	Spain	Uranium	E			120%	91
Bezant Resources	Philippines, Tanzania	Gold	E			-48%	8
Braemore Resources	South Africa, Australia	PGMs and nickel processing technology		NA		-62%	17
Caledon Resources	Australia	Coal	E	D	P	-23%	130
Caledonia Mining	Zimbabwe, Zambia, South Africa	Gold, cobalt, platinum-nickel	E	D	P	-46%	20
CAMEC	DRC, South Africa, Zimbabwe, Mali, Mozambique	Copper, cobalt, coal, fluorspar, platinum, bauxite	E	D	P	-41%	560
Cape Diamonds	South Africa	Diamonds	E		P	-47%	7
Centamin Egypt	Egypt	Gold	E	D		86%	975
Central African Gold	Zimbabwe, Botswana, Mali	Gold	E	D	P	-66%	13
Central China Goldfields	China	Copper, gold	E			-37%	5
Chaarat Gold Holdings	Kyrgyzstan	Gold	E			-34%	27
China Goldmines	China	Gold	E	D	P	-80%	8
Chromex Mining	South Africa	Chromite	E	D		-49%	17
Churchill Mining	Indonesia	Coal	E			80%	81
Cluff Gold	Burkina Faso, Cote d'Ivoire, Sierra Leone	Gold	E	D	P	70%	81
Coal of Africa	South Africa	Coal	E	D	P	-16%	515
Condor Resources	El Salvador, Nicaragua	Gold, silver	E	D		-47%	2
Connemara Mining Company	Ireland	Zinc	E			-7%	3
Conroy Diamonds & Gold	Ireland	Gold, zinc	E			40%	6
Creat Resources	Australia	Zinc, nickel, copper, silver	E	D		11%	11
Diamondcorp	South Africa, Botswana	Diamonds	E	D		-71%	7
Discovery Metals	Botswana	Copper, nickel	E	D		9%	40
Eastern Platinum	South Africa	Pgms	E	D	P	-59%	228
Emed Mining Public	Slovakia, Spain	Copper, gold	E	D		-47%	35
Emerging Metals	Namibia	Germanium, zinc, uranium		NA		-3%	27
Energybuild Group	UK	Coal		D	P	-18%	23
Eurasia Mining	Russia	PGMs, gold	E			-52%	4

Company	Main countries of operation	Main commodities focus	Approximate stage			13m price change to 30 Sep 2009 ¹	Market value at 30 Sep 2009, £ millions ²
European Goldfields	Greece, Romania	Gold, base metals	E	D	P	36%	504
European Nickel	Turkey, Philippines, Albania	Nickel	E	D		-47%	46
Finders Resources	Indonesia	Copper, gold-silver	E	D	P	-38%	35
Firestone Diamonds	Botswana, South Africa	Diamonds	E	D		-46%	36
Forte Energy	Mauritania, Guinea	Uranium	E			184%	62
Frontier Mining	Kazakhstan	Gold, copper	E	D	P	305%	47
Galantas Gold	Ireland	Gold	E	D	P	0%	8
GCM Resources	Bangladesh	Coal	E	D		-30%	45
Gemfields	Zambia	Gemstones	E	D	P	-79%	22
Gladstone Pacific Nickel	Australia	Nickel		D		-71%	12
Glencar Mining	Mali, Ghana	Gold	E			37%	27
GMA Resources	Algeria	Gold	E	D	P	0%	20
Goldplat	South Africa	Gold	E	D	P	7%	13
Goldstone Resources	Guyana, Mali, Senegal, India	Gold, bauxite	E			-13%	1
Greatland Gold	Australia	Gold	E			15%	3
Greystar Resources	Colombia	Gold	E	D		73%	138
Griffin Mining	China	Zinc, gold, silver	E	D	P	3%	65
Hambledon Mining	Kazakhstan	Gold, silver	E	D	P	-2%	34
Herencia Resources	Chile	Zinc, lead, silver, gold, copper	E	D		-26%	4
Hidefield Gold	Argentina, Brazil, Alaska	Gold	E	D		-33%	6
Highland Gold Mining	Russia	Gold	E	D	P	-28%	257
Horizonte Minerals	Brazil, Peru	Gold, silver, nickel	E	D		-24%	5
Jubilee Platinum	South Africa, Madagascar	PGMs, nickel, copper	E	D		-16%	49
Kalahari Minerals	Namibia	Uranium, copper	E	D		546%	385
Kalimantan Gold	Indonesia	Gold, coal, copper	E	D		-15%	6
Karelian Diamond Resources	Finland	Diamonds	E			-49%	2
Kefi Minerals	Turkey, Saudi Arabia	Gold, copper	E			-22%	5
Kirkland Lake Gold	Canada	Gold	E	D	P	38%	342
Kiwara	Zambia	Copper, nickel, uranium, iron ore	E			156%	86
Kopane Diamond Developments	Lesotho, Finland	Diamonds	E	D	P	90%	30
Kryso Resources	Tajikistan	Gold, nickel-copper	E	D		-15%	11
Landore Resources	Canada, USA	Nickel, gold, iron ore, lithium	E			75%	32
Leyshon Resources	China	Gold	E	D		-64%	16
Lithic Metals & Energy	Togo, Zambia, Mozambique	Nickel, uranium, zinc	E			-26%	4
Maghreb Minerals	Tunisia	Base metals, industrial minerals	E	D		-29%	2
Mariana Resources	Argentina, Chile	Gold, copper-gold	E			5%	6
Medusa Mining	Philippines	Gold, copper	E	D	P	274%	310
Mercator Gold	Australia	Gold	E			-72%	4
Metals Exploration	Philippines	Gold, molybdenum	E	D		2%	45
Minco	Ireland, Mexico	Zinc, silver	E			-3%	8
Minera IRL	Peru, Chile	Gold	E	D	P	17%	56
Moto Goldmines	DRC	Gold	E	D		150%	331
Moydow Mines International	Angola, Sierra Leone, Ghana	Diamonds, industrial minerals	E			8%	6
Mwana Africa	Zimbabwe, DRC, South Africa, Ghana, Angola, Botswana	Gold, nickel, diamonds, copper, cobalt	E	D	P	-61%	49
Namibian Resources	Namibia	Diamonds	E	D	P	-50%	1
Nautilus Minerals	Papua New Guinea	Copper-gold	E			-9%	105
Niger Uranium	Niger, South Africa	Uranium	E	D		127%	41
Norseman Gold	Australia	Gold	E	D	P	266%	79
North River Resources	Mozambique, Australia	Uranium, copper, gold,	E			61%	6
Noventa	Mozambique	Tantalum	E	D	P	-95%	5
Nyota Minerals	Burundi, Ethiopia	Nickel, gold	E			-52%	16
Obtala Resources	Tanzania	Gold, nickel, uranium, iron ore, PGMs, gemstones, coal	E			-51%	36
Ormonde Mining	Spain	Tungsten, base metals	E			-11%	17
Orsu Metals	Kyrgyzstan, Kazakhstan	Gold, copper	E	D	P	-86%	17
Ovoca Gold	Russia	Gold	E			-23%	20
Oxus Gold	Uzbekistan	Gold	E	D	P	-31%	42

Company	Main countries of operation	Main commodities focus	Approximate stage			13m price change to 30 Sep 2009 ¹	Market value at 30 Sep 2009, £ millions ²
Pan African Resources	South Africa, Mozambique	Gold, PGMs	E	D	P	40%	99
Pangea Diamondfields	Central African Republic, Democratic Republic of the Congo, South Africa, Angola	Diamonds	E	D	P	-86%	29
Patagonia Gold	Argentina, Chile	Gold	E	D		107%	86
Peninsular Gold	Malaysia	Gold	E	D	P	-2%	22
Persian Gold	Iran	Gold, copper	E			-23%	4
Petmin	South Africa	Anthracite, silica, iron	E	D	P	-45%	93
Petra Diamonds	South Africa, Tanzania	Diamonds		D	P	-44%	118
Platinum Australia	South Africa, Australia	PGMs	E	D	P	-58%	132
Platmin	South Africa	PGMs	E	D		-62%	334
Polo Resources	Mongolia, Namibia, Australia, Bangladesh	Coal, uranium	E			-1%	117
Rambler Metals & Mining	Canada	Copper-gold	E			-8%	13
Red Rock Resources	Australia, Zambia, Kenya, Malawi	Iron ore, manganese, uranium, gold	E			22%	9
Regency Mines	Australia, Papua New Guinea	Copper, nickel, gold	E			31%	8
Rusina Mining	Philippines	Nickel	E			-14%	17
Serabi Mining	Brazil	Gold	E	D	P	-74%	4
Shanta Gold	Tanzania	Gold	E			103%	8
Sirius Exploration	USA, Macedonia, China	Salt, potash,	E			713%	48
Solomon Gold	Solomon Islands	Gold, copper, nickel	E			42%	8
Strategic Natural Resources	South Africa	Coal	E	D		-62%	8
Stratex International	Turkey, Ethiopia	Gold, base metals	E	D		-3%	10
Sunkar Resources	Kazakhstan	Phosphate	E			3%	62
Sunrise Diamonds	Finland	Diamonds	E			-15%	1
Sylvania Resources	South Africa	PGMs	E	D	P	-4%	151
Tanzanite One	Tanzania	Gemstones	E	D	P	-32%	18
Target Resources	Sierra Leone	Diamonds, gold	E	D	P	-64%	2
Tertiary Minerals	Sweden, Finland, Saudi Arabia	Fluorspar, tantalum, copper-gold,	E			33%	4
Thor Mining	Australia	Tungsten, molybdenum	E	D		-42%	4
Titanium Resources Group	Sierra Leone	Rutile, ilmenite	E	D	P	-45%	19
Toledo Mining	Philippines	Nickel	E	D	P	-38%	16
Trans-Siberian Gold	Russia	Gold	E	D		83%	33
Triple Plate Junction	Papua New Guinea, Vietnam	Gold	E			-81%	2
UMC Energy	Madagascar	Uranium	E			-66%	1
Uranium Resources	Tanzania	Uranium, coal	E			-6%	6
Uruguay Mineral Exploration	Uruguay	Gold, diamonds, base metals	E	D	P	-49%	17
Vane Minerals	USA, Mexico, Paraguay	Gold, uranium, copper	E	D	P	3%	10
Vatukoula Gold Mines	Fiji, Brazil, Sierra Leone	Gold, diamonds	E	D	P	-23%	40
Weatherly International	Namibia	Copper, zinc	E	D	P	-58%	24
West African Diamonds	Guinea, Sierra Leone	Diamonds	E	D	P	-64%	3
Western Coal	Canada, USA	Coal	E	D	P	-48%	548
Zinc Resources	Yemen, USA	Zinc	E	D		-9%	54

Source: Ernst & Young analysis of publicly available company information. Market values sourced from Thomson Datastream.

1. Market value of AIM-listed security as at 30 September 2009

2. 13 months' price change from 31 August 2008

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