OVERVIEW

The 687 December Quarterly (Q4 16) Appendix 5B Cash flow reports lodged by ASX Listed Resource Companies - referred to below as "Reporting Companies or Juniors" show the following results & trends

Cash at Bank: - The total held by the 687 reporting companies at the end of December 2016 was $4.1 Billion up 8% from $3.8 Billion held by the same companies both at the end of the last quarter (Q3 16) and also a year ago, at the end of Q4 15. The increase in total cash is the result of improvements in the cash flows from those Juniors with existing project revenues.

Cash flow from Production: - Total revenues from the 59 Juniors in "production" was up 28% on the previous quarter to total $640M. On the other hand production costs only went up 13% to $381M, which has generating a cash flow for the Junior sector of $259M, measured against only $23M the previous quarter, making up most of the difference in cash at bank figures. Both ASX - RRL and ASX - LYC are reporting companies with Q4 16 revenues above $50M. **All the details of revenue & production cost for all 59 Companies can be provided in a convenient Excel Spreadsheet.**

Capital Raising: - Given the strength of the market many will be surprised to learn that the total amount raised by the Junior Sector actually went down in Q4 16, due no doubt to a softness in the ASX market for resource stocks after great gains earlier in the year. A total of $635M of new capital was raised down from $831M the previous quarter and a peak $1200M raised by the same companies in the June Quarter. (Down 47% on Q2 16) Leading capital raiser was ASX - K2P raising over $40M for Potash Exploration in the DR Congo.

Details of the 284 Companies who raised cash in Q4 16 can be yours in a working spreadsheet - add previous capital raisings where that information is needed.

Gross Debt: - As at the end of December Juniors owed a total of $2.9 Billion - so taking that amount away from the total cash position of $4.1B - it has left a Net Cash Position of $1.3B. **- 149 Companies have at least some debt (as reported in their Q4 16 5B Report). Is it important to know the level of that debt if you are contemplating investing or doing business with such companies**

Debt Reduction: 72 Companies reduced a total of $82M in debt lead by ASX-FND who paid back $18M. **New Debt;** 89 Companies have taken on $192M of new debt lead by ASX-MMI with $34M

Exploration Expenditure is accelerating: - The reporting Companies expect to increase exploration in Q1 17 to $348M up from $331M in Q4 16 and $250M a year ago in Q1 16. The Y on Y increase is 39%. Top explorer in Q4 16 was ASX-KAR at over $16M, whicxh they expect to increase to $19M in Q1 17. At the other end of the scale 102 Juniors spend NO money on exploration.

- 588 Juniors incurred exploration expenditure in Q4 16. Get the details in a spreadsheet
- AUSTEX reckon Companies need to be spending >$1M per quarter to be part of the next mining development boom (if it occurs) in 2019.

New Development Expenditure will follow successful exploration: - 102 reporting companies expect to spend a total $234M on new project development between them, in Q1 17 as against 86 Companies spending $197M on new development in Q4 16 and 82 Companies spending $142M in Q1 16. The Y on Y increase is 65%. Top developer in Q4 16 was ASX - SYR expending $36M which they expect to increase to $38M in Q1 17.

AUSTEX SPREADSHEETS CAN INCLUDE EVERY REPORTING COMPANY -
REVENUES, EXPLORATION, DEVELOPMENT, PRODUCTION, STAFF ADMINISTRATION OPERATIONS CASH FLOW, INVESTMENT CASH FLOWS, FINANCIAL CASH FLOWS CAPITAL RAISING, DEBT POSITION, CASH GAIN, CASH POSITION, PROJECTED EXPENDITURES, QUARTERS CASH, MARKET CAP, ENTERPRISE VALUE AND SO ON -
FOR EVERY QUARTER FOR THE PAST 2 YEARS CAN BE INCLUDED IN AN AUSTEX SPREADSHEET
EMAIL rmurdoch@austexmining.com and let us build the spreadsheet you need -

AUSTEX SPREADSHEETS ARE AN UP TO DATE ACCURATE RELIABLE & TOTALLY INDEPENDENT SOURCE OF DATA FOR THE PREPARATION OF PRESENTATION SLIDES.

MORE INFORMATION FROM THE Q4 16 SPREADSHEETS

TOTAL STAFFING COSTS
Were $149M in Q4 16 up 8% on the previous quarter. Top employer was ASX- LYC spending over $9M on staff.

TOTAL ADMINISTRATION COSTS
Were $177M in Q4 16 down 5% on the previous quarter. The average Project Plus Staff expenditure achieved for every $1 of Admin spend was $6.53.

CASH LEVELS - DECEMBER 2016
225 Companies (32%) have more than $3M cash which is an amount that AUSTEX considers the minimum to advance projects in a timely manner. This is a big improvement on the 178 Companies in this position a year ago.

However, at the other end of the industry 180 Companies (26%) still have less than $0.5M cash which is the amount that AUSTEX considers the minimum to achieve any results at all for shareholders from projects at all. Whilst some will have undertaken capital raisings since the end of December, many still represent great corporate and capital raising opportunity - especially 102 spending NOTHING on exploration. DETAILS & ANALYSIS OF THESE COMPANIES ARE AVAILABLE UNDER OUR "AUSTEX CONFIDENTIAL SERVICE"

ALL THE 5B CASH FLOW DETAILS ARE AVAILABLE NOW ON *"DESIGN YOURSELF SPREADSHEETS"*
For more details or quotations contact Rob at rmurdoch@austexmining.com

OTHER AUSTEX PRODUCTS INCLUDE -

AUSTEX DAILY - A summary of all relevant ASX RESOURCE ANNOUNCEMENTS including New Acquisitions and Deals; News on Existing Projects, Capital Raisings over $1M, Resources Updates; Corporate News that may impact on Projects and a summary of Investor Presentations. AVAILABLE AROUND 9AM EST NEXT BUSINESS DAY

AUSTEX MONTHLY - Detailed analysis of share and commodity price movements over the month and the impact on the resources sector, including a summary of Companies whose share price has either risen or fallen significantly over the month. Details on new listings and those that have left the sector, name changes and consolidations.

AUSTEX QUARTERLY REPORT - Details of Capital Raisings over $1M and the brokers involved for raisings above $3M, as well as Exploration and Development Expenditures (>$1M) plus investments and changes in debt (>$1M), next quarter commitments and Companies < 1 Quarter's Cash and much more.

AUSTEX CONFIDENTIAL - Commissioned research and analysis of individual companies, sectors or short lists of available opportunities to suit clients specifications

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