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## AUSTEX reveals record exploration spending for Q2 2021

The [AUSTEX June 2021 quarterly report](#) has revealed record spending of ASX listed resource companies. The report showed that, of the 667 ASX listed resource companies evaluated, a record \$669M had been spent in the June quarter, up 34% from the previous quarter.

“It’s an exciting time in the exploration industry right now. This time last year we were worried about how the industry would operate under the COVID-19 related travel restrictions that were required to keep communities safe. The industry not only adapted, but is thriving,” said Association of Mining and Exploration Companies (AMEC) Chief Executive Office, Mr Warren Pearce.

“Exploration is at the core of the industry, and the continued growth in expenditure is a great sign for Australia as more projects means more jobs, more revenue and more opportunities.”

Rob Murdoch, Principal Consultant at AUSTEX Resource Opportunities said the report shows that capital raisings and new debt were lower than the previous Quarter because companies had sufficient reserves and therefore didn’t need to raise money.

Of the Australian exploration expenditure, 65% was in Western Australia, 9.5% in Queensland, 7% in NSW, 6.5% in Victoria, 5.8% in Northern Territory, and 5.6% in South Australia. Exploration spending is the highest since AUSTEX began reporting in 2016. Both AMEC and AUSTEX are confident the increase in spending will result in new discoveries being made.

### Key Points Q2 2021 AUSTEX Quarterly:

**Exploration** - The total exploration expenditure by the reporting companies over Q2 ‘21 was a record \$699M, which is up 34% on Q1 ‘21 (\$520M) and 69% on Q2 ‘20 (\$413M).

**Capital Raisings & New Debt** - New capital raisings by the reporting companies over Q2 ‘21 was \$2044M down 5% on Q1 21 (\$2152M) and up 90% on Q2 ‘20 (\$1076M). The net debt taken on during ‘Q2 21 was \$201M as against a net debt reduction of (-\$56M) in Q1 ‘21.

**New Development & Investment** - The Q2 21 total of new development & investment expenditure (additional to exploration) was \$312M, down 35% on Q1 21. (\$483M).

**Administration & Staff** - Staff costs for Q2 21 totalled \$157M up 12% on Q1 21 (\$140M). Administration costs for Q2 21 were \$204M up 23% on Q1 21 (\$165M). \$7 was spent on exploration, new development, production, or staff for every \$1 of administration expenditure, compared to \$6.6 in Q1 21 and \$8.1 in Q2 20.

**Cash Gain / Burn & Avg Cash** - There was a total cash gain of \$908M during Q2 21 compared to \$1025M in Q1 21. The average reporting company has \$6.96M in the bank at the end of Q1 21 as compared to \$6.61M at the end of Q1 21.

**Companies with Less than one Quarters Cash** – 59 Companies have less than one quarter of cash at the end of Q2 21. (11% of the total reporting, up from 8% at the end of Q1 21).

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