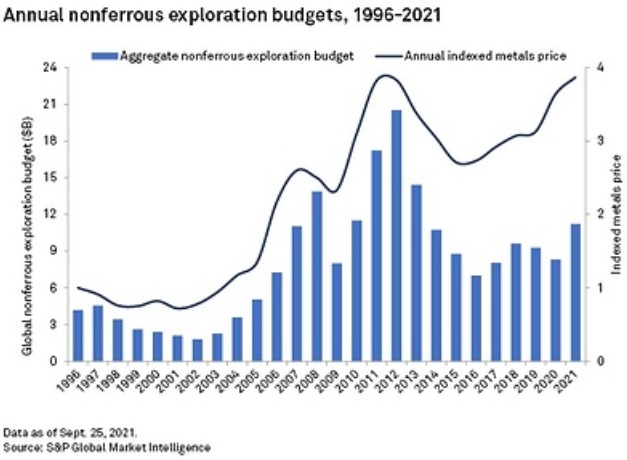
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Global exploration budget for metals jumps 35% year-on-year to $11.2 billion

Budget increase has been driven by strong metal prices and easier access to financing

NEW YORK, Oct. 18, 2021 /PRNewswire/ -- Newly released 2021 global exploration budget from S&P Global Market Intelligence's Corporate Exploration Strategies series shows that the mining exploration sector has emerged from the downturn caused by the COVID-19 pandemic. The aggregate annual global nonferrous exploration budget has increased by 35% year over year to $11.2 billion from $8.3 billion in 2020.



Kevin Murphy, Principal Analyst with the Metals & Mining Research team at S&P Global Market Intelligence, says, " A faster-than-expected recovery in market conditions and easing of lockdowns allowed explorers to reactivate programs by mid-2020, which caused some programs to carry over into 2021. Along with higher metals prices and increased financing activities, this has led to a strong budget recovery in 2021. As we move into the last quarter this year, metal prices and financings remain robust, and the risk of further pandemic-related shutdowns has declined. As a result, we expect the aggregate exploration budget to increase between 5% and 15% year over year for 2022."

Key takeaways include:

- **Gold and base metals dominate exploration focus:** While the gold price has varied over recent months, its August 2021 average of $1,784 per ounce was 14% higher than its January 2020 average of $1,560/oz. Base metals have had even more impressive gains, with copper's August 2021 average of $4.25 per pound up 55% from January 2020.
- **Canada soars while Africa underperforms:** While allocations to all regions have increased in 2021, Canada has attracted a particularly large share of the global budget with an increase of $800.5 million year over year to $2.1 billion, hitting its record high since 2012. Africa underperformed with allocations up just 12% to $1.1 billion, returning the region to its 2019 level.
- **Junior budgets surge but majors still drive exploration:** The junior sector has increased their planned allocations by 62% year over year to a total of $4.1 billion. Despite this increase, the majors continue to account for half of global exploration budget at a total of $5.6 billion.
- **Early-stage exploration budget hits all-time low**: In 2020, grassroots share of allocations hit an all-time low of 24% while minesite hit an all-time high of 41% as the pandemic made large scale programs more difficult. While grassroots share recovered modestly this year due to increased activity in Australia and Canada, its global budget share is the second lowest on record at 26%.

The Metals and Mining Research team will be hosting a live webinar to present the latest Corporate Exploration Strategies 2021 research on 19 October 2021. To register for the event, please visit this webpage.

S&P Global Market Intelligence's Metals and Mining Research team offers comprehensive coverage on mining companies, projects and mines worldwide, exploration budgets and trend analysis, reserves replacement studies, Mine Economics cost curves, commodity market analysis and industry outlook insights. The Metals and Mining offering complements S&P Global Market Intelligence's broad universe of research sector coverage including energy, enterprise technology, leveraged loans, financial institutions, and TMT (Technology, Media and Telecom).

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Media Contact

Vivian Liu
S&P Global Market Intelligence
P. +852 91791132
E. Vivian.Liu@spglobal.com

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