Reservoir Minerals which is developing several copper-gold projects in SEE region is caught in the midst of a market downturn. Reservoir 's JV copper-gold exploration projects with Freeport McMoran and Rio Tinto in Serbia may be the only developer advantage during the commodities market disturbance.

The junior mining sector remains caught in the midst of an unparalleled downturn. Equity and debt markets have dried up and cash reserves are reaching new lows. Waiting is no longer a viable strategy: junior miners need to take urgent action now, before crisis hits, and do whatever it takes to find the cash to keep their businesses and projects moving forward.

PWC Canada report Junior mine 2015, looks at the challenges facing junior miners and the unconventional solutions that deserve serious consideration.

PWC analysis of the top 100 junior mining companies listed on Canada's TSX Venture Exchange (TSX-V) paints a grim picture— but not an unexpected one. Key financial indicators show a steady, ongoing decline across the sector. Reservoir Minerals a Canadian junior mining company which is developing two joint venture projects in Serbia, with major Freeport McMoran and Rio Tinto, may be in the influenced by market disturbances.

The market capitalization of the TSX-V's top 100 miners has dropped significantly, from CAD$7.9 billion last year to CAD$4.8 billion at June 30, 2015 (Fig 1). Mining's share of the total TSX-V has also continued to fall: once making up more than half of the exchange's total market cap, mining now contributes only 36%.

The pain is shared across the sector, as the average market capitalization of explorers, producers and developers alike has fallen sharply over the past year. While the total market capitalization has declined slightly (11%), explorers' total market cap has dropped by 45%—and producers' total market cap has plummeted 57%.

The top 5 juniors in 2015, one of them is Reservoir Minerals, show just how much the sector has shrunk over the course of the downturn. This year's top 5 are significantly smaller than their 2014 predecessors: four of them wouldn't have made last year's list.

Cash is tight, revenue and income are falling alongside lower commodity prices, and financing is incredibly hard to come by.

Despite prudent steps to reduce spend, cash is running out: the top 100's cash position fell nearly one-third (31%) since last year and total cash reserves are at an all-time low. On average, the top 100 junior mining companies have CAD$7 million on hand, down from CAD$10 million last year.

Across the top 100, overall revenue is down 28% from last year, a drop of nearly CAD $195 million. That's balanced, slightly, by an 18% reduction in overall net losses.

It's becoming increasingly hard to find new sources of funding. Across the top 100, cash provided by financing has dropped 27% since last year, and shareholders' equity has fallen 30%.

The top 100 raised CAD$515 million in new equity financing in 2015, down 25% from the previous year.
While 74 companies raised equity last year, 15 companies raised 86% of it. The vast majority raised less than $1 million each, most of which came through private placement.
It's the same story for debt financing. Overall, 24 companies among the top 100 raised CAD$278 million in new debt financing in 2015, down approximately 27% from 2014, with more than two-thirds (69%) of that amount being raised by four miners.