



Mining, Resources and Energy

Capability Statement



This is an unprecedented time of change and growth in the mining, resources and energy industry and we understand the importance of seizing the advantage in a constantly evolving environment.



Knowledge and expertise

Nexia is part of a global network of accounting and consulting firms and our offices have extensive knowledge of the Australian mining, resources and energy sector.

Our key strength lies in assisting junior and mid-cap energy and resources clients. We deliver objective, high-calibre solutions to grow their business and gain market share.

We take pride in providing outstanding value to businesses of all sizes including listed and private companies. Our clients are explorer and production companies in oil and gas, CSG, coal, precious metals and companies that provide services to the mining, resources and energy sector.

The 'Next' Solution

Nexia is your 'next' solution providing tailored support to help your business navigate taxation issues, regulatory compliance, financial reporting/audit and providing transactional support and advice when you need it.

Our team has the relevant and current industry experience to ensure that whether our role is as an external auditor, independent expert, or we provide an in-house function as a Director, Company Secretary or Advisor, that our approach is commercial and adds value.

Keeping ahead

Global economic tension, rising costs and sustainability issues present numerous challenges to the mining, resources and energy industry. By keeping abreast of the changes impacting the industry we create processes focused on personal, experienced advice to ensure you are equipped to stay ahead and grow.

Our services

Advisory and support

- IPO and fundraising management
- Company secretarial appointment and governance management
- Mergers and acquisitions
- Taxation compliance and consulting, including structuring overseas investment in projects
- Corporate governance
- Financial reporting and audit committee support
- Greenhouse and climate change reporting and compliance services

Independent appointments

- External audit
- Independent expert reports/valuations

How can we help

We carry out Independent Audits for:

- Australian Securities Exchange (ASX) listed companies
- International subsidiaries
- ASIC requirements (public or large entities)
- Special purpose audits for internal or stakeholder reporting

We assist companies prepare for audits by:

- Preparing financial reports under AIFRS and other reporting regimes
- Preparing audit work paper files suitable to auditors
- Performing a risk assessment and establish a risk management process
- Identifying critical ASIC or other regulator hot spots and assist the organisation to address them

- Being a second opinion for management

We provide proactive tax advice to manage tax risk and compliance through all stages of a mining or oil and gas project life cycle, from exploration through to production.

We assist with Mergers and Acquisitions including:

- Member of Due Diligence Committees
- Independent expert reports
- Options and share valuations
- Contributions to the financial sections of the public disclosure documents including financial statement proforma, technical advice and effect

We assist with Capital Raising including:

- Member of Due Diligence Committees
- Formal sign-off on historical and/or prospective financial information
- Investigating accountant reports

We can manage your IPO process with:

- Corporate set up and structuring
- Board structure and recruitment
- Capital structure and asset valuation
- Back office set up
- Pre-IPO seed raisings and associated compliance issues
- Assist in set up of IPO team

We assist organisations with greenhouse compliance by:

- Providing advice on compliance with applicable greenhouse legislation
- Greenhouse reporting system set up
- Performing non-operator reviews of greenhouse compliance reports



Key Industry Issues

The key issues we find that are facing the industry are:

Capital raising

Many junior mining company boards would agree that the maintenance or raising of capital is in their company's top 5 risks or focuses for 2017. Low cash levels can result in uncertainty for investors, predatory approaches and disproportionate reduction in the value of the company, regardless of the quality of its projects. With global economic conditions showing little sign of material improvement, investors will continue to be risk averse. Although recent ASX initiatives have opened up more opportunity to raise capital, the increased regulatory focus and competition for cash, coupled with volatile commodity prices, results in a need for a strategic approach to capital raising and delivering a clear value message to potential investors. Once this has all been dealt with, partnering with a trusted professional in order to manage the regulatory process of raising capital on the ASX will ensure you have the best chance of success.

Investing on overseas projects

Any investment overseas has an immediate impact on the risk profile of your company's projects to investors. Ensuring that the Board properly assesses and communicates those risks and more importantly the risk mitigation strategies is key. Part of this process is securing the right local support for your operations

both in terms of setting up the initial investment structure and/or the likely development / exit strategy. Equally important is the need to have the right back up to maintain relationships with the local authorities and ensuring local regulatory compliance. We can provide you with the right level of advisory and practical experience in setting up and maintaining operations for our clients in both first and third world countries across the globe.

Corporate governance and risk management

Whilst public companies have an ASX mandated responsibility to implement and report against core governance principles, we believe that a solid governance structure applies to all businesses. The real challenge is not in setting these systems up, but making them work for your company, whatever your size. Key governance principles such as clarifying the division of responsibility between the Board and the Executives can empower the management team and also allows the Board to focus on its core function of setting the strategic direction of the company and performing a key review function. Similarly, having an effective independent chairman adds a valuable support and mentoring role for the Managing Director. We have broad experience in establishing governance systems for listed and unlisted companies, but more importantly making sure that it is relevant and of value to your Board and shareholders.

Managing a changing financial reporting environment

The financial reporting landscape is constantly changing. The next major wave of new accounting standards incorporating AASB9 *Financial Instruments*, which includes new requirements for hedge accounting, AASB15 *Revenue from Contracts with Customers*, and the new leases accounting standard all have the potential to cause significant disruption to current accounting practices. Coupled with volatility in commodity and foreign exchange markets, the potential impacts on financial reporting has rarely been greater. Companies should have a plan to consider and assess the impacts of these significant changes on their business and financial reporting systems. We can assist you develop an effective and practical pathway to navigate these changes.



Our team can help reduce the burden of your compliance and financial reporting responsibilities.

Contact us

For further information or to discuss how Nexia Australia can assist your organisation, please contact a local Nexia Advisor below.



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