



EXECUTIVE SUMMARY

How to position your feasibility study for success: tips for junior miners

A feasibility study can make or break a project. A robust feasibility study is critical in securing project funding from investors. It also provides confidence to make strategic decisions such as engaging with external partners, phasing investment, altering scheduling, postponing or even cancelling a project.

A well planned and executed study will help focus effort and address issues around uncertainty for investors by showing how risk can be managed and how value can be increased.



Why do projects do badly?

Mining development is a risky, capital-intensive business, and mining has a long history of under-performance when it comes to delivering projects on time and on budget. [McKinsey & Company reported recently](#) that more than **4 out of 5 mining projects come in late and over budget by an average of 43 percent.**

Feasibility studies typically have many interdependent moving parts. They are often led by technical teams with a focus on engineering an outcome or solution. Projects often fail or struggle to secure funding due to:

- too much focus on the technical
- over exuberance or optimism bias
- misalignment between project status and stage of feasibility
- lack of due process and methodology
- other external factors [not striking the right balance in terms of market, commercial or social requirements]





Not all feasibility studies are created equal - how to position yours for success?

As with any project, planning is critical as it a clear definition of what success looks like — for your company, the audience for your study and other stakeholders. noting this may change. This will likely change over time but fundamentally the study must address the critical success factors of the project, and understand where you are and where you are going, or want to go. Consider this in terms of:

- funding or risk capital requirements
- 'licence to operate'
- governance and compliance
- macro-economic factors
- technical complexity
- handover to delivery and execution phase.



Your feasibility study must ensure it balances the requirements of the three key components:

- technical
- economic/commercial
- social/environmental

From there, you can step back and consider: risk and return and your strategic rationale.

Your project is likely to be competing against other opportunities all seeking to attract risk capital especially if it is a greenfield development. So how do you demonstrate to your audience that your project is different to the others and adds value? Have you considered optionality value, opportunity costs, next-best alternatives, as well as the dynamics of demand and supply factors for your products and markets.

In summary, make sure your feasibility study:

- ✓ addresses your audience and addresses their core concerns
- ✓ has clear objectives and scope [in/out]
- ✓ is supported by robust research
- ✓ validates the value and cost drivers of your project
- ✓ has been subject to independent review
- ✓ demonstrates application of experience and good judgement.

Our Services

[Siecap](#) is an independent project management and advisory firm offering services across the project development Lifecycle including advisory, feasibility studies, as well as project assurance and independent review services and project delivery.

While we've worked extensively with major mining companies, we have also helped juniors operating across various commodity groups and jurisdictions to:

- raise capital privately and via a public IPO
- manage project financing requirements
- deliver studies to support funding.

If you're a junior miner, [chat to us](#) to see how we can help you get the results you want.



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Our Culture

Our culture is built on respecting the relationships with our people, clients and partners, innovating, improving and adding value wherever possible, leading ourselves and operating with integrity in everything we do.

Our Values

We Add Value

We take on challenges, solve problems and simplify the complex.

We Own It

We take initiative, keep our word, follow through and deliver results.

We Adapt

We are flexible, resourceful and resilient.

We Connect

We build enduring relationships by listening to and finding out what really matters to our people, clients and partners.

We Collaborate

We're at our best when we get to know each other and our clients to understand their challenges and work as together as a team to solve.