

Further signs that the Canadian junior market is still constrained

Argex Titanium {TSX: RGX} have cancelled their recently announced financing – Despite optimism at the start of the year, recent signs suggest the junior mining sector malaise is still with us, and could it possibly be getting worse?

Yesterday a financing by **Zimtu Capital** was repriced downwards by 15%, today another financing was cancelled.

The news release from Argex Titanium {TSX: RGX} did not read well, they had cancelled their recently announced financing “due to market conditions”.

Ok not too surprising you might say, but this is despite some quite heady optimism being exuded in the Vancouver show in January and the PDAC a few weeks later.

But as one reads the wording of the Argex news release, it gets worse;

“Argex shall implement a new budgetary plan that includes cost cutting measures such as termination of employees, reductions in salaries and suspension of research and development activities allowing available funds to be specifically allocated to value creating activities. Argex is also considering its alternatives with respect to some or all of its mineral claims as an additional cost saving measure”.

So not being able to raise funds is now causing the firing of staff, salary reductions, and, worse of all, the suspension of

research and development activities! And they are possibly looking to divest some properties that they would otherwise keep, in a further effort to lower costs.

This suggests they don't expect improvements anytime soon, as these are quite drastic measures to stay afloat and retrench.

The previous day **Zimtu Capital Corp. {TSX.V: ZC}** announced it had repriced the terms of their financing announced April 24th, reducing the offering price by around 15% on both the flow through and the units.

Zimtu themselves are active in the junior mining space, so it is quite incredible for them to have miscalculated quite so badly, and then had to reduce their offering by quite a large percentage.

This does not augur well for the mining industry in 2015, in my view.