



How Junior Mines Use ERP to Manage Financial Reporting and Attract Investors

Junior mines face two critical challenges: earning investor trust and building a financially well-managed mining operation. Implementing an enterprise resource planning (ERP) solution can play a pivotal role in addressing these challenges while laying a strong foundation for long-term success.

This ebook examines the following questions:

- What are the key financial challenges in mine development and operations?
- At what stage do you need an ERP to manage your financials?
- What are the benefits of true financial management?
- How do you choose the right ERP?



What are the key financial challenges in mine development and operations?

Mining requires significant upfront investments in equipment, infrastructure, and labor long before any minerals are extracted. Compounding these challenges is the necessity of securing investor buy-in, managing intense operational costs, and complying with regulatory standards.

Consider how these factors—unique to the mining industry—impact your strategy:

► Capital-intensive nature

Setting up a mining operation requires substantial upfront investments in infrastructure, machinery, and manpower. These high capital requirements demand meticulous financial planning and risk management to ensure the viability of projects and secure long-term financing.

► Heavy reliance on investors

Mining relies heavily on investors due to the industry's capital-intensive nature. Mining projects can take years to produce returns, and investors provide the financial backing needed to bridge this gap, enabling mining companies to undertake exploration, development, and production while mitigating financial risks.

► Regulatory compliance costs

Stricter environmental regulations have escalated compliance costs for mining companies. Budgeting for these expenses while maintaining profitability can be challenging, making compliance an integral part of financial strategy.

► Operational costs in remote areas

Mines are often situated in remote, hard-to-access regions, leading to elevated operational costs. Whether it's logistics, transportation, or infrastructure, operating in these areas demands meticulous financial oversight and efficient resource management.

► Liquidity and cost management

Balancing short-term operational costs with long-term project financing is a delicate task. Mining firms must ensure sufficient liquidity to cover daily expenses while preparing for potential market downturns and sustaining growth initiatives.

► Volatile commodity prices

The mining industry is heavily influenced by the cyclical nature of commodity prices. Fluctuations driven by global demand and supply, geopolitical events, and environmental factors can dramatically impact profitability. Sound forecasting and robust financial planning are essential to maintaining stability.

To navigate this high-stakes financial landscape effectively, junior mining firms should adopt strategic financial management practices and leverage digital tools to showcase efficiency and profitability, optimize resource allocation, and prepare for market volatility.

At what stage do you need an ERP to manage your financials?

If you are in the early stages of running a junior mine, your biggest concern is attracting new investors. Investors demand transparency and accuracy—they want to see detailed numbers on your funding, forecasted cash flow, and current and future capital use and outlays. They also expect assurance that you are meeting compliance requirements and have a strong grasp of all aspects of your business, such as spend monitoring, effective inventory buildup and management, and progress tracking against your plan.

It's likely you'll need investors throughout the process. Mining projects take years to become operational and reach nameplate capacity, making external funding essential to cover initial

expenditures and sustain operations during this prolonged period.

Standalone systems relying on spreadsheets are too error-prone to provide the transparency investors and auditors require. Even entry-level business software often lacks mining-specific functionality and scalability.

Streamlining processes such as invoicing, risk assessment, and financial tracking through ERP automation reduces errors and enhances decision-making. Digital tools offer real-time financial insights, improve resource allocation, and maximize profitability, keeping your business competitive and investor-ready.

Look for these warning signs that you need a better system

Difficulty accessing critical data to answer important questions about your business

When data is scattered across spreadsheets or basic accounting systems, finding accurate, real-time information becomes nearly impossible, leaving you hesitant to make critical decisions.

Too many missed opportunities with investors

Investors expect transparent, detailed insights into cash flows, compliance, and capital allocation. If your systems can't deliver timely, reliable reports, you risk losing their confidence—and their funding.

Blurred visibility into liquidity, spending, and resources

Without a centralized view of finances and resource allocation, it's hard for junior mines or early-stage producers to balance operational

costs, plan for downturns, or identify inefficiencies.

Concern about meeting compliance and audit standards

Regulatory requirements in mining are stringent and constantly evolving. If your system can't track compliance accurately or provide audit-ready reports, your business is at risk of penalties or lost investor trust.

Too much time spent on day-to-day tasks with little confidence that everything is getting done

Manual processes and outdated tools waste time and increase the risk of errors, leaving you unsure whether critical tasks—like invoicing, inventory tracking, or risk assessment—are being handled effectively. Employees risk stress and burnout, and the firm may experience turnover as a result.

What are the benefits of true financial management?

True financial management within an ERP system, which includes access to real-time financial data, offers transformative advantages for junior mining organizations.

Improved investor confidence

Many investors are also mining professionals—former operators, engineers, or executives from mid-tier and major producers. They don't just bring capital; they bring an operational lens. They're scanning juniors for partnership opportunities or future M&A. Their approach often involves joint ventures across the mining lifecycle—from exploration and development to production, processing, and even marketing.

An ERP solution enhances investor trust by ensuring financial accuracy and accessible, timely reporting. For junior miners seeking funds, an ERP serves as a strategic differentiator. It's more than an IT decision; it's a trust-building move. It shows discipline, transparency, and a clear intent to scale responsibly.

Example:

When preparing for funding rounds, real-time data allows you to present up-to-date cash flow statements, capital allocation records, and compliance status reports.

With an ERP, you can view a dashboard of financial and operational KPIs.

Streamlined compliance processes

Mining organizations must adhere to strict financial regulations and pass regular audits. A robust ERP ensures that auditors can easily access the necessary information, such as expense reports, tax filings, or regulatory compliance documentation.

An ERP also helps to monitor commodity pricing forecasts and mitigate impairment risks.

Example:

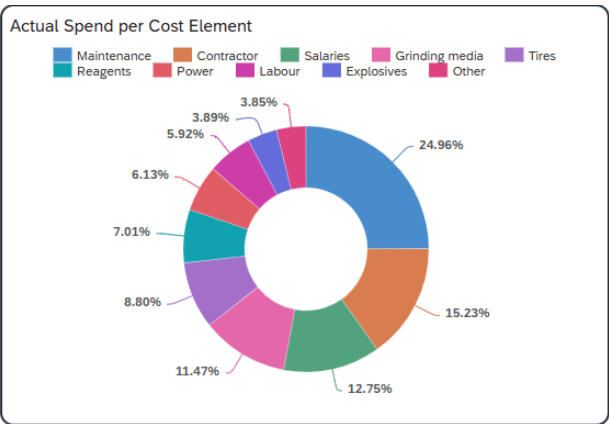
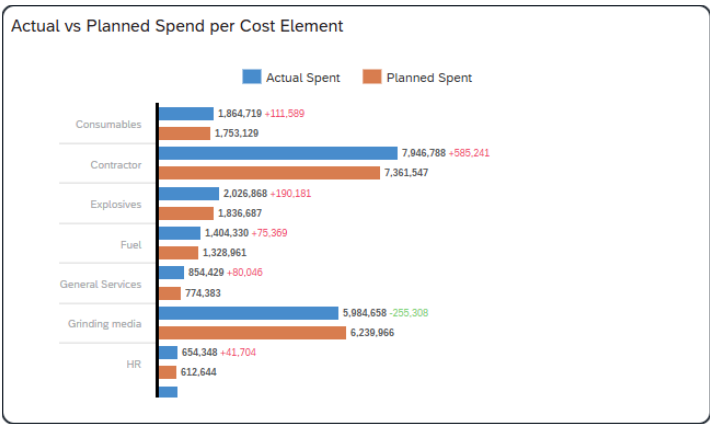
ERP systems can automatically track environmental compliance costs, ensuring timely reporting and avoiding penalties for non-compliance.

Enhanced reporting accuracy

As mining operations expand or secure various types of financing, the need for robust reporting grows exponentially. ERP systems provide customizable dashboards that allow mining executives to generate reports tailored for stakeholder presentations, loan applications, or compliance audits. This also helps with P&L and closing the books.

Example:

You can quickly produce detailed cost analyses for planned vs actual spending, providing insight for better decision making.



Quarterly Status			QoQ
		Unit	
88%	Production	Oz	↓
\$1,065	Total Cash Costs	\$/Oz	↑
\$1,288	AISC	Oz	↑
\$2,499	Realized Price	Oz	↑
87%		vs Spot	↓
87%		vs Plan	↑
111%	Operation Margin	%	↑
		Per Share	

Examples of high level variance analyses on a mining ERP dashboard.

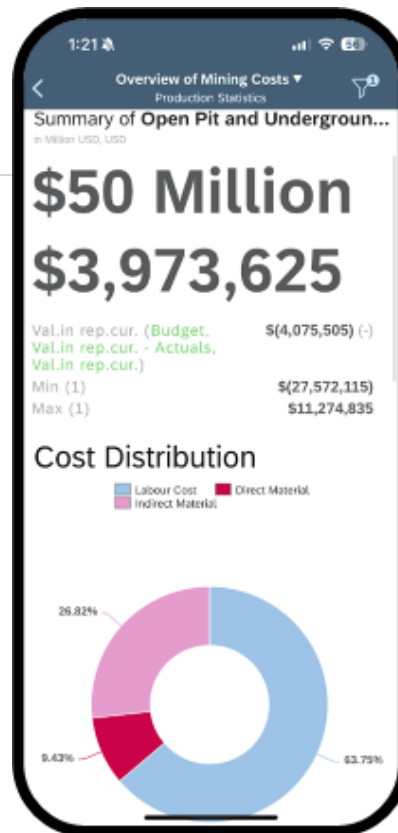


Optimized cost management

ERP systems help manage and control costs by providing granular insights into spending patterns, resource utilization, budget adherence, and ultimately, productivity by key performance indicators. Control CapEx deployment with precision during development and avoid “cost creep” through tighter procurement and spend management.

Example:

You can monitor fuel consumption for machinery in remote mining locations, identify inefficiencies in labor costs, or compare costs over time. These insights enable better cost management and prevent overspending.



Real-time financials at your fingertips when you're on the go.

Secure data protection

Data security is a vital concern for mining organizations handling sensitive financial and operational information. ERP systems provide advanced security measures such as encryption, role-based access controls, and automated backups.

Example:

Protect confidential information such as investor financial data and compliance reports from cyber threats, unauthorized access, or accidental loss.

How do you choose the right ERP?

Selecting the right ERP is critical to meeting your unique mining needs. Here are key considerations to guide your decision:

Scalable foundation

To keep costs reasonable, begin with the basics like financial management and HR functionality, then scale up as your business grows. Ensure the ERP can expand to accommodate future needs, such as inventory management or multi-site operations.

Mining-specific, commodity-reflected features

Select an ERP tailored to the mining industry, with functionality like sustainability tracking, environmental compliance, and asset management—features that become essential once the mine is operational.

Embedded analytics dashboards

Choose an ERP with built-in analytics dashboards to eliminate the need for additional business intelligence (BI) tools. Ensure it allows convenient exporting of data into tables for easy sharing and analysis.

Investor Alignment

Find an ERP that is widely adopted by your investors or industry partners. Using the same ERP system makes collaboration, reporting, and transitions—such as mergers or acquisitions—much smoother.

Cost effectiveness

Prioritize an ERP that provides robust functionality without exceeding your budget. Look for solutions that offer modular pricing or subscription models, which allow you to pay for only what you need initially and add features later.

37 of the Top 50 mining companies run SAP*

Mining producers running SAP* include:

- 9 of the Top 10 Copper Producers
- 9 of the Top 10 Zinc Producers
- 9 of the Top 10 Iron Ore Producers
- 8 of the Top 10 Silver
- 8 of the Top 10 Aluminum
- 7 of the Top 10 Coal Producers
- 7 of the Top 10 Nickel Producers
- 6 of the Top 10 Gold Producers

Mobile accessibility

Consider an ERP that offers mobile-friendly features, enabling you to access critical data and manage workflows from remote mining sites or on the go.

* By Market Cap (April 2025)

Why SAP?

SAP has been serving the mining industry for over 50 years. Its deep industry expertise and tailored solutions have supported mining companies worldwide in optimizing operations, ensuring compliance, and driving innovation. An SAP ERP for mining includes specialized modules for environmental compliance, health and safety management, and mining-specific workflows. Its powerful data analytics capabilities track key performance indicators, optimize asset performance, and reduce operational risks.



Myths vs Facts

Many early-stage miners hesitate to implement ERP, influenced by persistent myths. It's time to set the record straight.

Myths

#1

ERP is too expensive for exploration-stage mining

#2

You need an IT team to run an ERP

#3

ERP is only relevant during production

Facts

SAP ERP allows junior mines to start small—implementing only core finance functions such as GL and AP, and a basic procurement module. This provides operational control without unnecessary complexity. When viewed as a cost-per-meter-drilled, it's a smart investment that adds long-term value and investor appeal.

Public cloud delivery removes the need for dedicated IT infrastructure or large internal teams. SAP Cloud ERP handles hosting, security, updates, and scalability—freeing your lean team to focus on drilling and development.

Smart junior miners know that project accounting, procurement controls, and early CapEx management are critical in the development phase. Laying this groundwork early avoids costly retrofits later and improves financial governance as capital outlays increase.

Find a trusted partner

Your team doesn't have the time or expertise to implement and maintain an ERP. Find a trusted partner who does.

Syntax has more than 25 years of experience working with mining companies to identify, implement, and manage the technologies needed to improve all aspects of their operations.

"A trusted partner is essential to the success of any ERP transformation. Syntax brought exceptional SAP expertise, industry knowledge, and dedication to our success."

Jeff Suellentrop

Chief Information and Technology Officer
at Phoenix Global

"Syntax had the right team and the right experience to deliver what we needed. They were knowledgeable, highly responsive, and went out of their way to accommodate our unique requirements."

Paul Changfoot

Sr. Director, Business Controls, ERP & Risk
Lithium Americas

Start your journey at:

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About Syntax

Syntax provides comprehensive technology solutions and trusted professional, advisory, and application management services to power businesses' mission-critical applications in the cloud. With 50 years of experience and 900+ customers around the world, Syntax has deep expertise in implementing and managing multi-ERP deployments in secure private, public, or hybrid environments. Syntax partners with Sap and other global technology leaders to ensure customers' applications are seamless, secure, and at the forefront of enterprise technology innovation.

