



Seale & Associates

MINING INDUSTRY
Q1 2024
VALUATION UPDATE

25 years

Introduction

We are pleased to share our Mining Industry Multiples Valuation Update for Q1 2024.

At Seale & Associates, we are committed to providing process-driven solutions designed to optimize value and achieve our client's strategic objectives in a range of transactions, including **Mergers, Acquisitions, Divestitures and Carve-Outs, Business Sales, Recapitalizations, and Joint Ventures**, among other corporate finance and strategy consulting services.

Over the course of 25+ years, we have successfully served clients all over the world, and we are delighted to continue providing investment banking advisory services to our clients who are looking to grow through acquisitions or optimize their portfolios through strategic divestitures.

Seale has extensive experience advising leading multinational companies, private equity firms, and family-owned businesses across a wide range of industries.



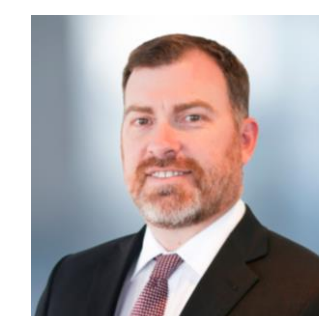
James A. Seale | President

jseale@sealeassociates.com



Brett M. Carmel | Senior Managing Director

bcarmel@sealeassociates.com



Robert Whitney | Managing Director

rwhitney@sealeassociates.com



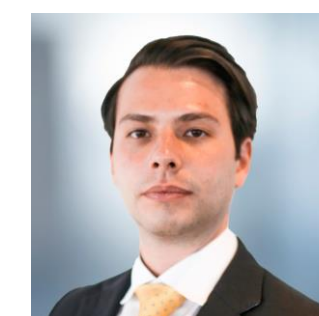
Sergio Garcia del Bosque | Managing Director

sgarcia@sealeassociates.com



Carlos Hernández | Managing Director

chernandez@sealeassociates.com



Alejandro Montemayor | Vice President

amontemayor@sealeassociates.com



Armando Rios | Vice President

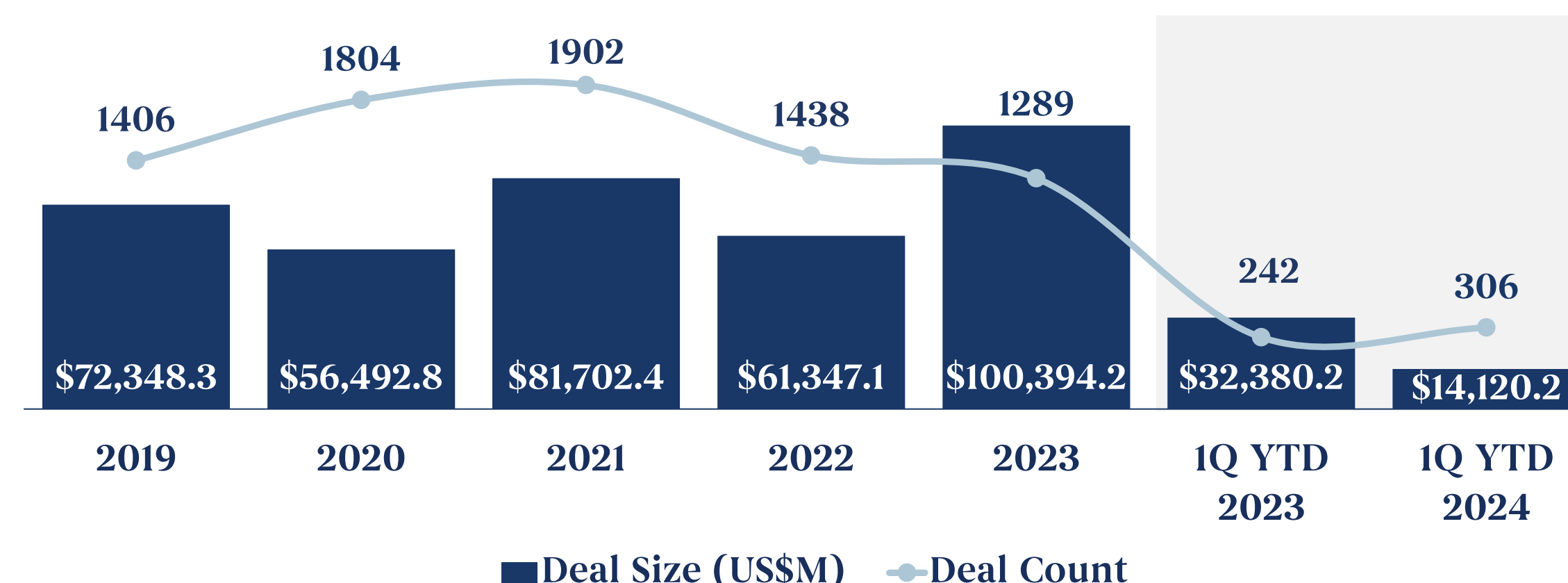
arios@sealeassociates.com

Mining Industry Overview, M&A Trends and Market Intelligence

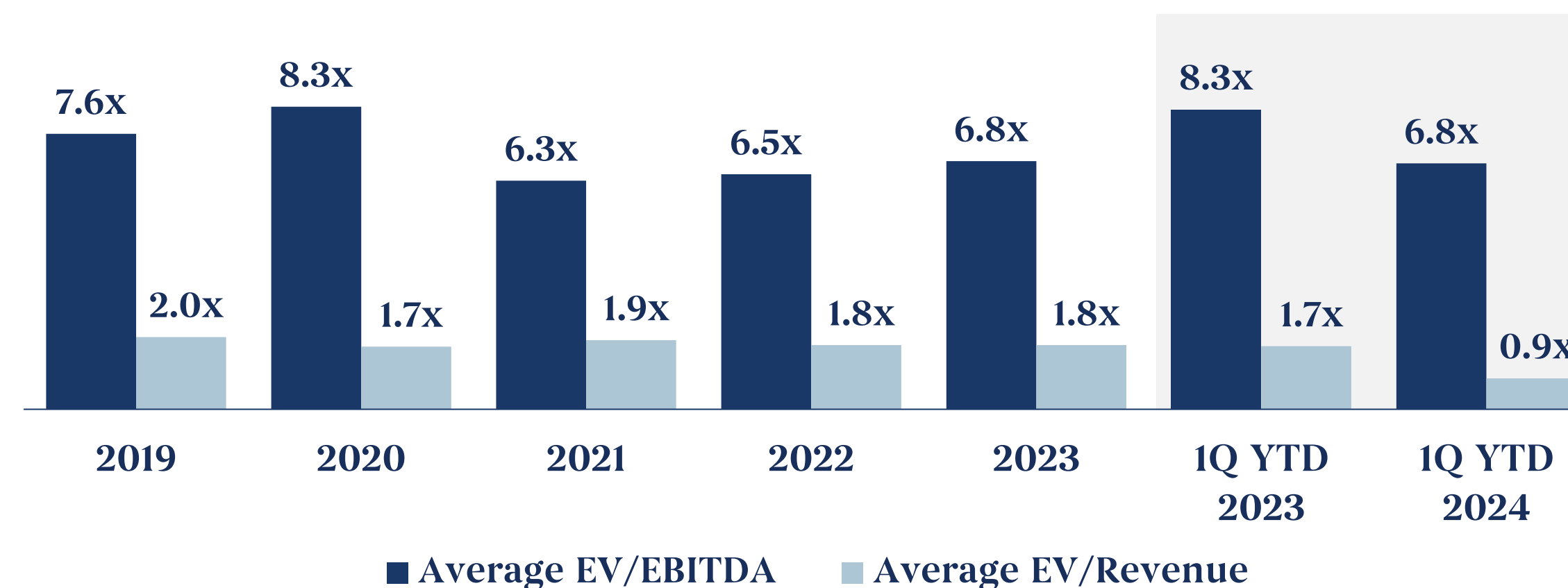
Industry Overview

- Foreign Direct Investments (FDI)-related deals accounted for a **38.0% share** of the global mining industry's **mergers and acquisitions (M&A) activity in Q1 2024**, up **2.0%** over the previous quarter
- **M&A activity** in the **metals and mining** sector is expected to be driven by **the global energy transition**, with industry players targeting **critical minerals** in order to align their portfolios with the requirements of the future
- **M&A activity** in the **gold sector** will remain strong, as industry players seek to **reduce risks** amid **high costs** and increase their market share in a favorable price environment
- Asia-Pacific and North America are expected to maintain **strong M&A activity in 2024**. These regions are attractive due to **lower investment risks** and **rich mineral reserves**
- The ongoing **global energy transition** is **driving demand** for critical minerals, leading to **increased M&A activity**. Companies are strategically aligning their portfolios to secure access to essential metals like lithium, cobalt, and nickel, crucial for **green technologies**
- In line with global sustainability goals, major mining companies are **divesting from high-carbon-emitting coal assets**, reflecting the industry's commitment to reducing its carbon footprint and aligning with **environmental regulations** and **investor expectations**

Metals and Mining Industry M&A Deal Size and Volume



Metals and Mining Industry M&A Average EV/EBITDA and EV/Revenue













Source: Mining Technology, Fitch Solutions, Capital IQ

Mining Industry Global Comparable Public Companies (1/2)

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		First Quarter Mar. 31, 2024	
						2022	2023	EV/EBITDA	EV/Revenue
Agnico Eagle Mines Limited	 CAN	\$29,695	\$31,351	\$6,947	47.3%	11.0x	9.6x	9.5x	4.5x
Anglo American plc	 GBR	\$29,907	\$47,096	\$30,652	31.3%	3.3x	4.0x	4.9x	1.5x
Antofagasta plc	 GBR	\$25,388	\$29,155	\$6,325	46.9%	4.9x	7.6x	9.8x	4.6x
Barrick Gold Corporation	 CAN	\$29,210	\$38,706	\$11,501	44.3%	6.3x	7.8x	7.6x	3.4x
BHP Group Limited	 AUS	\$146,358	\$163,099	\$55,656	44.9%	4.3x	5.3x	6.5x	2.9x
China Shenhua Energy Company Limited	 CHN	\$102,546	\$96,670	\$47,596	32.8%	4.5x	4.1x	6.2x	2.0x
Fortescue Ltd	 AUS	\$51,550	\$52,123	\$18,548	61.4%	3.3x	4.7x	4.6x	2.8x
Freeport-McMoRan Inc.	 USA	\$67,446	\$83,158	\$23,787	36.4%	5.9x	8.1x	9.6x	3.5x
Fresnillo plc	 MEX	\$4,373	\$5,077	\$2,705	23.5%	7.0x	9.0x	8.0x	1.9x
Glencore plc	 CHE	\$66,816	\$92,161	\$217,829	7.9%	5.6x	3.3x	5.4x	0.4x

Mining Industry Global Comparable Public Companies (2/2)






Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		First Quarter Mar. 31, 2024		
						2022	2023	EV/EBITDA	EV/Revenue	
Grupo México, S.A.B. de C.V.	 MEX	\$46,101	\$51,399	\$14,323	49.8%	4.7x	5.7x	7.2x	3.6x	
Industrias Peñoles, S.A.B. de C.V.	 MEX	\$5,636	\$8,921	\$5,912	13.6%	4.7x	9.1x	11.1x	1.5x	
Kinross Gold Corporation	 CAN	\$7,535	\$9,481	\$4,392	40.7%	5.4x	6.1x	5.3x	2.2x	
Newmont Corporation	 USA	\$41,329	\$47,794	\$13,156	26.4%	10.3x	9.9x	13.8x	3.6x	
Nucor Corporation	 USA	\$47,492	\$48,494	\$34,141	21.8%	3.3x	4.3x	6.5x	1.4x	
Rio Tinto Group	 GBR	\$108,756	\$114,066	\$54,041	38.0%	3.7x	5.2x	5.6x	2.1x	
Sociedad Minera Cerro Verde S.A.A.	 PER	\$13,757	\$13,307	\$3,866	44.9%	5.0x	5.5x	7.7x	3.4x	
Southern Copper Corporation	 USA	\$82,352	\$87,694	\$9,702	53.0%	7.7x	11.7x	17.1x	9.0x	
Teck Resources Limited	 CAN	\$23,724	\$32,035	\$11,235	38.4%	4.3x	5.4x	7.4x	2.9x	
Vale S.A.	 BRA	\$52,150	\$66,296	\$41,095	40.1%	2.8x	4.0x	4.0x	1.6x	
						Mean	4.8x	6.2x	6.8x	2.6x
						Median	4.8x	5.6x	7.3x	2.8x

■ Excluded from mean and median

Industry – Global Transactions (1/2)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Mar-24	 Nickel Industries	MKD	Produces low-carbon ferronickel granules primarily used in stainless steel production	Polynickel Holding BV	Komercijalna Banka AD Skopje	100.0%	\$43.2	-	-
Mar-24	 ARGONAUT GOLD	CAN	Engages production, development, and exploration of gold	 ALAMOS GOLD INC.	-	100.0%	\$515.0	10.0x	1.4x
Mar-24	 PYBAR MINING SERVICES	AUS	Engages in underground mining services for metal extraction	 THIESS	 METAROCK	100.0%	\$42.6	-	-
Mar-24	Dundee Precious Metals Tsumeb Limited	NAM	Provides metal processing and smelting services	Sinomine Rare Metals Resources Co. Limited	 Dundee PRECIOUS METALS	100.0%	\$49.0	-	-
Feb-24	 Illawarra Metallurgical Coal	AUS	Extracts hard coking coal for steel production	Multiple Buyers	 SOUTH32	100.0%	\$1,050.0	-	-
Feb-24	 ALUMINA LIMITED	AUS	Engages in bauxite mining, alumina refining, and aluminum smelting businesses	 ALCOA	 ALLAN GRAY	100.0%	\$2,620.0	-	NM
Feb-24	 CONTACT GOLD RESOURCES	CAN	Explores and develops gold mining properties	 ORLA MINING	-	100.0%	\$8.1	NM	-
Feb-24	Joint Stock Company Polymetal	RUS	Explores and produces precious metals including gold and silver	 MANGAZEYA	 POLYMETAL INTERNATIONAL PLC	100.0%	\$3,689.0	5.3x	-
Feb-24	 OSINO RESOURCES	CAN	Explores and develops gold mining projects	Hainan Shengwei Trading Co., Ltd.	Multiple Sellers	100.0%	\$272.7	NM	-
Feb-24	 silverlake RESOURCES	AUS	Explores, develops, and operates gold mining and exploration projects	 RED5 Limited	-	100.0%	\$727.9	2.8x	1.1x

Industry – Global Transactions (2/2)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Feb-24		USA	Develops and manufactures nickel and cobalt-based alloys		Multiple Sellers	100.0%	\$970.0	12.3x	1.5x
Jan-24		GBR	Develops and manages mining activities	Trans Metal Fund LP		100.0%	\$36.0	-	-
Jan-24	Zanthus Resources Pty Ltd	AUS	Engages in the exploration of iron	Miracle Iron Resources Pty Ltd		100.0%	\$54.3	-	-

NM: Not Measurable

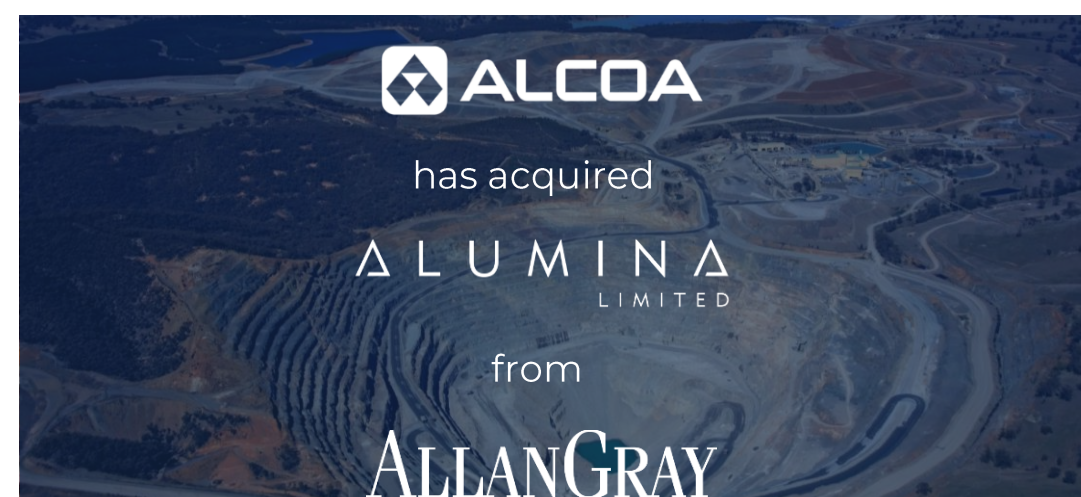
Mean 7.6x 1.3x
Median 7.7x 1.4x

Selected Transactions Commentary



"This is a logical and attractive transaction for both companies. The combination of the adjacent Island Gold and Magino mines will immediately unlock tremendous value, with significant longer-term upside through further optimizations of the combined operation, and ongoing exploration success."

John A. McCluskey, President and CEO of Alamos Gold



"This transaction provides enhanced opportunities for value creation, including strengthening Alcoa's position as one of the world's largest bauxite and alumina producers and providing Alumina Limited shareholders the opportunity to participate in a stronger, better-capitalized combined company with upside potential."

William F. Oplinger, President and CEO of Alcoa



"This acquisition is an ongoing part of Thiess' strategy to diversify our commodities and the services we offer our clients. We are committed to developing a global mining portfolio, with a strong focus on the metals and minerals critical to the global energy transition."










Michael Wright, CEO of Thiess



"The increased scale, diversification and financial strength of the new company that will be formed via this transaction will be primed for continued strong cash flow generation and further growth."

Luke Tonkin, Managing Director of Silver Lake Resources

Private Equity Transactions

INDUSTRY CLASIFICATION	PERIOD	AVERAGE ENTERPRISE VALUE (IN USD)	REVENUE (IN USD)	TTM REVENUE GROWTH	ENTERPRISE VALUE / REVENUE	EBITDA MARGIN	ENTERPRISE VALUE /EBITDA	NUMBER OF TRANSACTIONS
 Mining <i>NAICS 212 - Mining</i>	 2018 - 2024	 \$78.5M	 \$40.7M	 21.3%	 1.9x	 31.3%	 6.3x	 6
Support Activities for Mining <i>NAICS 213 - Support Activities for Mining</i>	2018 - 2024	\$42.7M	\$39.3M	12.1%	1.6x	32.4%	4.6x	4

Notes:

- Data obtained via GF Data, a subscription-based information platform, offering detailed information and metrics about the transactions of Private Equity funds in the U.S.
- The data is provided under a blind confidential format. Users of the data are unable to identify the exact company and transaction corresponding to the transaction details. Given this blind approach, the data submitted is less likely to be biased or manipulated.

Harrison Gypsum

TARGET

Harrison Gypsum, LLC

TRANSACTION TYPE

Sell-side advisory

INDUSTRIES

Distribution & Supply Chain Management; Non-metallic Mining and Minerals

GEOGRAPHY

Florida, Oklahoma, and Texas, USA

SITUATION

Seale & Associates was retained by the family owners to advise on a recapitalization of Harrison Gypsum as part of a succession planning and wealth diversification strategy, as well as an investment in additional gypsum reserves, equipment, and add-on acquisitions. The majority owner wanted to continue but had a partial liquidity event. Harrison Gypsum is a leading gypsum mining and processing company.

SEALE & ASSOCIATES' APPROACH

Seale professionals ran a competitive auction process, managing multiple strategic and private equity investors with experience in the mining space to identify a partner with the capital and shared vision of the owner/management.

OUTCOME

The process resulted in a majority recapitalization by H.I.G. Capital, a Miami, Florida-based private equity investment firm with over \$10 billion of equity capital under management. Russ Harrison, founder/owner and CEO, remained a significant shareholder and continued to lead the company.

“Seale’s experience and credibility was of the utmost importance during the negotiation process”



“I had very specific demands when it came time to consider a private equity-led leverage recapitalization transaction and I was looking for a trusted advisor to make sure my demands were met and that I was protected. Seale delivered on every promise they made and patiently worked with me throughout the process until I got the deal I wanted and deserved.”

Seale’s experience and credibility was of the utmost importance during the negotiation process with the private equity firm and they knew how to manage and resolve each challenge.”

Russ Harrison
 Founder/Owner and Chief Executive Officer, Harrison Gypsum, LLC

Sign up for M&A insights

We deliver sector-specific intelligence designed specifically for industry leaders, private equity firms, and their advisors. Our industry reports and featured articles deliver real-time access to key industry data, including:



Emerging industry trends

Quarterly reports covering 30+ industries

Monthly reports for the U.S., Mexico, and Colombia

Transaction analysis and market trends

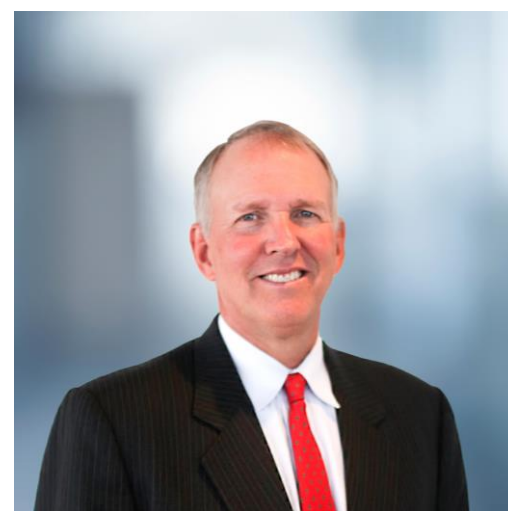
Valuable insights for industry leaders

Receive email updates with our proprietary data, reports, and insights as they are published for the industries that matter to you the most

SUBSCRIBE

Global M&A Representative Engagements

<p>BEIJER REF</p> <p>has been acquired by</p>  <p>HERITAGE DISTRIBUTION HOLDINGS</p>	<p>avangardinnovative MOVING THE CIRCULAR ECONOMY FORWARD</p> <p>has sold a controlling interest to</p>  <p>WASTE MANAGEMENT</p>	<p>ZN ZINC NACIONAL</p> <p>has sold</p> <p>GSDKO</p> <p>Zinc Oxide Corporation a subsidiary of</p>  <p>Korea Zinc</p>	<p>Electrolux PROFESSIONAL</p> <p>has acquired</p> <p>unified brands a DOVER company</p> <p>from</p>  <p>DOVER</p>	<p>Port Contractors STEVEDORES - TERMINAL OPERATORS</p> <p>has been acquired by</p>  <p>ENSTRUCTURE</p>	<p>Oxbow</p> <p>Oxbow's Senior Subordinated debt issued by</p>  <p>H.J. BAKER ESTABLISHED 1880</p> <p>was refinanced by</p>  <p>BMO</p>	<p>Hertz</p> <p>has acquired</p>  <p>DONLEN</p>
<p>Standex</p> <p>has sold</p> <p>Enginetics</p> <p>to</p>  <p>Enjet AERO</p>	<p>ITT</p> <p>has sold</p> <p>BURNY KALIBURN PLASMA CUTTING INNOVATION</p> <p>and</p> <p>CNC Cleveland Motion Controls</p> <p>to</p>  <p>LINCOLN ELECTRIC</p>	<p>Honeywell</p> <p>has sold</p> <p>TENSOR</p> <p>to</p>  <p>GE Power Systems</p>	<p>TRIUMPH™</p> <p>has sold</p> <p>Triumph Processing - Embee Division</p> <p>to</p>  <p>AMP ALL METALS PROCESSING</p>	<p>TRIUMPH™</p> <p>has sold</p> <p>Triumph Air Repair, the APU Overhaul Operations of Triumph Aviation Services - Asia, and Triumph Engines businesses</p> <p>to</p>  <p>TGG THE GORES GROUP</p>	<p>Rheem</p> <p>has acquired</p>  <p>HTPG</p>	<p>GRACE</p> <p>has sold its GRACE Membranes business</p> <p>Uop</p> <p>a subsidiary of</p> <p>Honeywell</p>
<p>convatec - forever caring -</p> <p>has sold</p> <p>SENSI CARE</p> <p>and</p> <p>ALOE VESTA™</p> <p>to</p>  <p>MEDLINE</p>	<p>United Technologies</p> <p>has sold</p> <p>MobileView</p> <p>to</p> <p>SAFE FLEET Driving Safety Forward™</p>	<p>United Technologies</p> <p>has sold</p> <p>HTPG A division of Carrier Commercial Refrigeration, Inc.</p> <p>to</p> <p>MONOMOY CAPITAL PARTNERS and Starboard Capital Partners</p>	<p>LOCKHEED MARTIN</p> <p>has sold</p> <p>Commercial Flight Training Business</p> <p>to</p> <p>ALTEON A BOEING COMPANY</p>	<p>FLOWSERVE</p> <p>has sold</p> <p>D&B</p> <p>to</p> <p>DB DaviesBaird</p>	<p>KBR</p> <p>has acquired</p> <p>Wabi Wabi Development Corporation</p>	<p>H I G HARRISON GYPSUM, LLC</p> <p>has been recapitalized by</p> <p>H. I. G. PRIVATE EQUITY</p>



JAMES A. SEALE

President and Founder | Washington, DC

✉ [in](#) +1 (703) 623-9253

32+ years of global M&A experience, Attorney, CPA Arthur Andersen, and Professor of Global Investment Banking at George Washington University
University of Virginia - JD
University of Kentucky - BS in Accounting



BRETT M. CARMEL

Senior Managing Director and Co-founder | Miami, FL

✉ [in](#) +1 (703) 294-6530

25+ years of global M&A experience and Professor of M&A at Johns Hopkins University
The George Washington University - MBA International Business and MA - International Affairs
University of Florida - BA in Political Science with High Honors

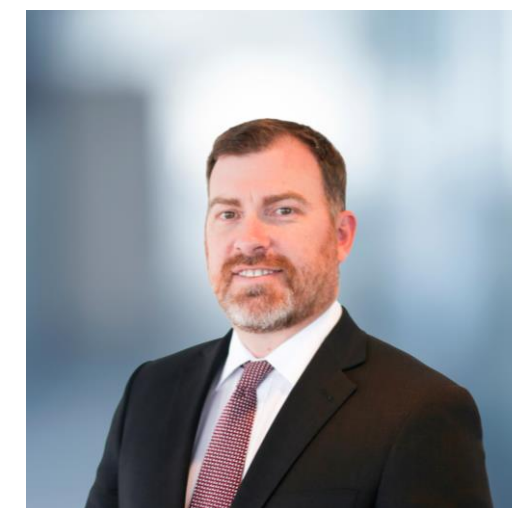


SERGIO GARCIA DEL BOSQUE

Managing Director | Mexico City, Mexico

✉ [in](#) +52 (55) 8000-7463

16+ years of global M&A experience
IPADE - MBA
Instituto Tecnológico y de Estudios Superiores de Monterrey
BS in Industrial Engineering



ROBERT E. WHITNEY

Managing Director | Washington, DC

✉ [in](#) +1 (703) 801-8939

19+ years of global M&A experience, CPA Deloitte & Touche, Corporate Audit and Assurance Services
University of Richmond - BS Business Administration in Accounting

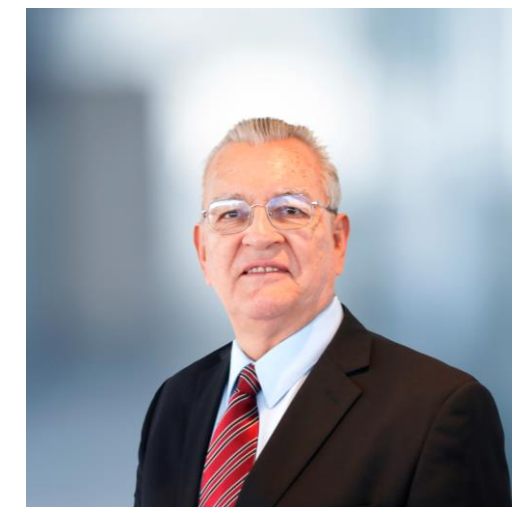


CARLOS HERNANDEZ

Managing Director | San Luis Potosi, Mexico

✉ [in](#) +1 (571) 482-3432

14+ years of global M&A experience
Columbia University - MBA
Instituto Tecnológico y de Estudios Superiores de Monterrey
BS in Industrial Engineering



FELIPE BUENO

Senior Director | Monterrey, Mexico

✉ [in](#) +52 (84) 4432-4444

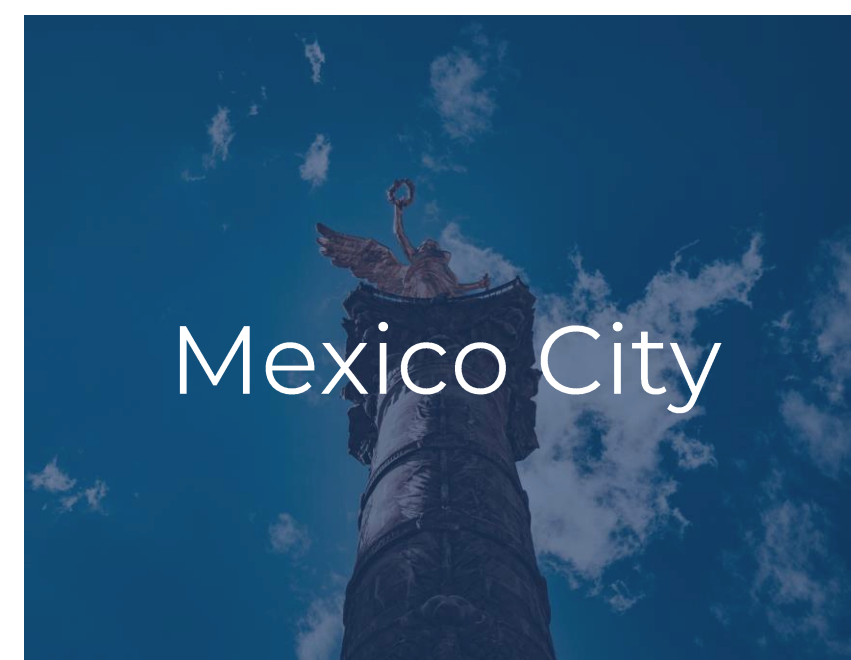
32+ years with Grupo Industrial Saltillo with experience as Director, Corp. Dev. and extensive global commercial experience
Instituto Tecnológico y de Estudios Superiores de Monterrey
MBA and BS in Industrial Engineering



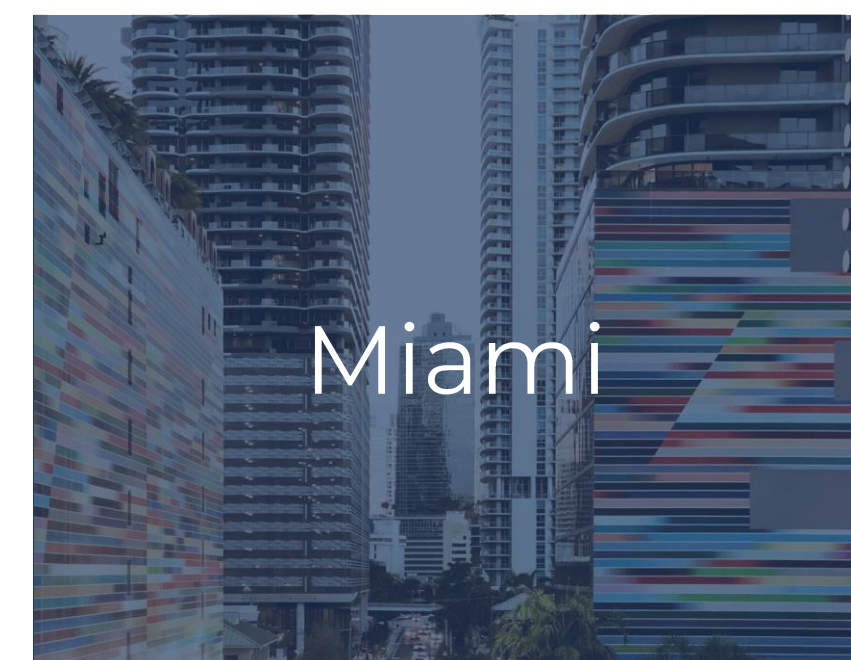
Washington D.C.



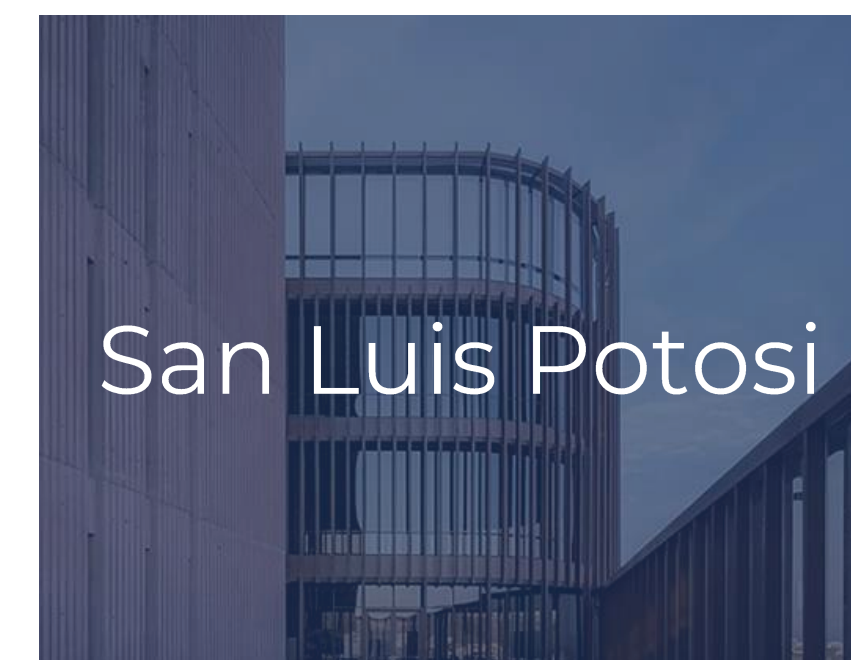
Monterrey



Mexico City



Miami



San Luis Potosi

Creative Solutions. Trusted Advice.

For over 25 years, Seale & Associates has served leading public and private companies from around the world and operating in a broad range of industries with a high level of quality, integrity and independence while presenting innovative ideas and trusted solutions to address their most complex dealings.

25

YEARS OF EXPERIENCE

\$50B+

TRANSACTIONS GLOBALLY

SERVICES AND SOLUTIONS

Mergers & Acquisitions

Divestitures

Joint Ventures / Alliances

Recapitalizations

Due Diligence / Support

Expert Witness Testimony

Corporate Finance Advisory

Strategy Consulting

Trusted Advisor to Leading Companies Worldwide

We have worked repeatedly with many of the most well-known companies in the world...

...as well as with reputable funds, family-offices and privately held companies.



Seale & Associates

Creative Solutions. Trusted Advice.