



Seale & Associates

MINING INDUSTRY
Q2 2024
VALUATION UPDATE

25 years

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Introduction



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Introduction

We are pleased to share our Mining Industry Multiples Valuation Update for Q2 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.

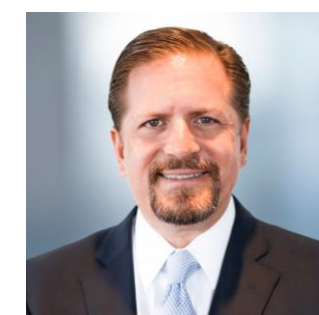
Over the course of 25+ years, we have successfully served clients all over the world, and we are delighted to continue providing investment banking advisory services to our clients who are looking to grow through acquisitions or optimize their portfolios through strategic divestitures.

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



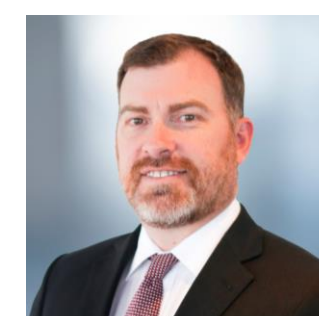
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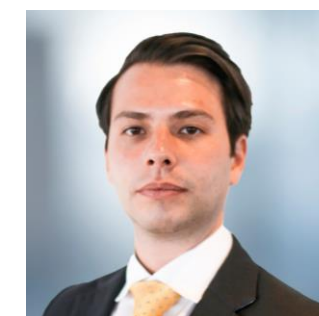
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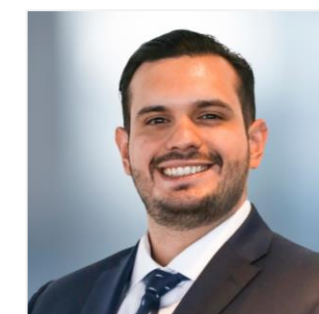
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Mining Industry Overview



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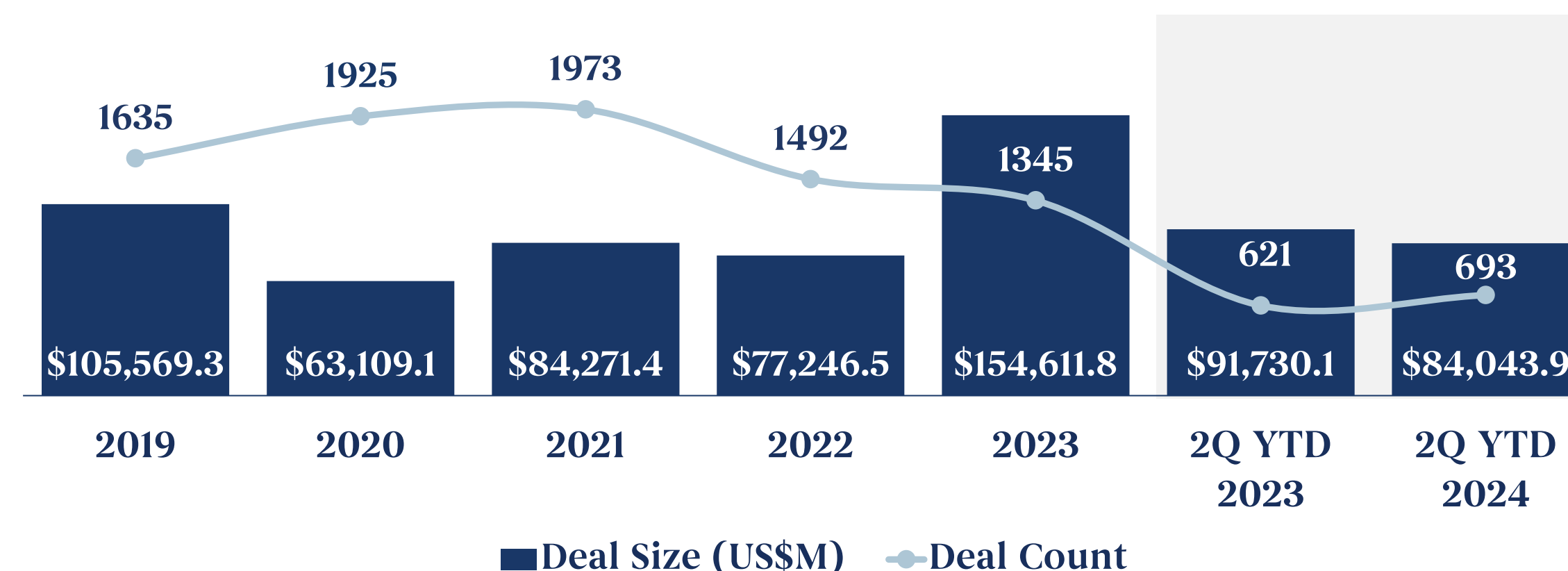
25 years

Mining Industry Overview, M&A Trends and Market Intelligence

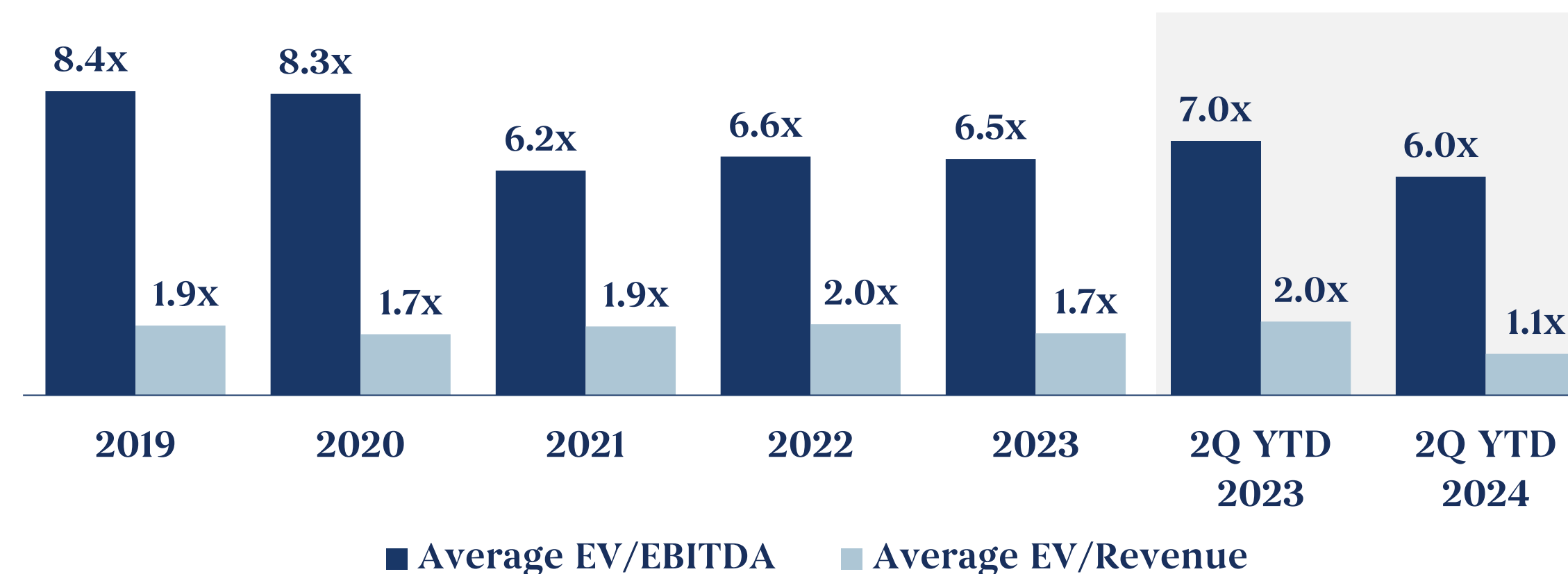
Industry Overview

- 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

Comparable Public Companies













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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		Second Quarter Jun. 30, 2024	
						2022	2023	EV/EBITDA	EV/Revenue
Agnico Eagle Mines Limited	 CAN	\$40,666	\$41,723	\$7,305	50.4%	11.0x	9.6x	11.3x	5.7x
Anglo American plc	 GBR	\$35,512	\$53,737	29,442	32.4%	3.3x	4.0x	5.6x	1.8x
Antofagasta plc	 GBR	\$23,604	\$28,498	\$6,390	47.2%	4.9x	7.6x	9.5x	4.5x
Barrick Gold Corporation	 CAN	\$35,500	\$45,123	\$11,830	47.2%	6.3x	7.8x	8.1x	3.8x
BHP Group Limited	 AUS	\$139,263	\$156,488	\$55,656	44.9%	4.3x	5.3x	6.3x	2.8x
China Shenhua Energy Company Limited	 CHN	\$106,499	\$99,675	\$48,101	32.3%	4.5x	4.1x	6.4x	2.1x
Fortescue Ltd	 AUS	\$37,830	\$38,420	\$18,548	61.4%	3.3x	4.7x	3.4x	2.1x
Freeport-McMoRan Inc.	 USA	\$63,064	\$78,499	\$24,674	38.4%	5.9x	8.1x	8.3x	3.2x
Fresnillo plc	 MEX	\$5,248	\$5,813	\$2,850	33.7%	7.0x	9.0x	6.1x	2.0x
Glencore plc	 CHE	\$64,502	\$88,777	\$227,505	5.9%	5.6x	3.3x	6.6x	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		Second Quarter Jun. 30, 2024		
						2022	2023	EV/EBITDA	EV/Revenue	
Grupo México, S.A.B. de C.V.	 MEX	\$42,482	\$47,026	\$15,247	49.9%	4.7x	5.7x	6.2x	3.1x	
Industrias Peñoles, S.A.B. de C.V.	 MEX	\$5,119	\$8,047	\$6,010	16.1%	4.7x	9.1x	8.3x	1.3x	
Kinross Gold Corporation	 CAN	\$11,110	\$12,805	\$4,519	44.4%	5.4x	6.1x	6.4x	2.8x	
Newmont Corporation	 USA	\$58,992	\$65,478	\$14,875	34.8%	10.3x	9.9x	12.7x	4.4x	
Nucor Corporation	 USA	\$34,704	\$37,359	\$32,695	18.2%	3.3x	4.3x	6.3x	1.1x	
Rio Tinto Group	 GBR	\$106,311	\$112,925	\$54,176	38.2%	3.7x	5.2x	5.5x	2.1x	
Sociedad Minera Cerro Verde S.A.A.	 PER	\$13,652	\$12,886	\$4,143	40.9%	5.0x	5.5x	7.6x	3.1x	
Southern Copper Corporation	 USA	\$79,889	\$84,754	\$10,519	54.2%	7.7x	11.7x	14.9x	8.1x	
Teck Resources Limited	 CAN	\$25,393	\$36,777	\$11,441	37.3%	4.3x	5.4x	8.6x	3.2x	
Vale S.A.	 BRA	\$44,724	\$57,160	\$37,737	38.6%	2.8x	4.0x	3.9x	1.5x	
■ Excluded from mean and median						Mean	4.8x	6.2x	6.6x	2.5x
						Median	4.8x	5.6x	6.5x	2.8x

Source: Capital IQ


















Global Transactions



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Industry – Global Transactions (1/2)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Jun-24*	Xinjiang Luomu Mining Co., Ltd.	CHN	Develops and explores mineral resources	CITIC Guoan Industrial Group Co., Ltd.	 洛阳栾川钼业集团股份有限公司 CMOC Group Limited	100.0%	\$399.6	-	-
Jun-24*	 湖南水口山有色金属集团有限公司 HUNAN SHUI KOU SHAN NONFERROUS METALS GROUP CO., LTD.	CHN	Produces and processes metals	 中钨高新材料股份有限公司 CHINA TUNGSTEN AND HIGHTECH MATERIALS CO., LTD.	Multiple Sellers	100.0%	\$715.9	-	-
Jun-24	Iron ore assets of Iron Valley	AUS	Produces and exports iron ore	 POLARIS METALS PTY LTD	Iron Valley Pty Ltd	100.0%	\$48.0	-	-
Jun-24*		CAN	Explores and develops mineral properties, focusing on gold and copper projects	MM Group LTDA	2176423 Ontario Ltd.	100.0%	\$65.2	-	-
Jun-24*	 AMERICAN CREEK RESOURCES LTD	CAN	Explores and develops mineral properties	 CUNNINGHAM MINING	-	100.0%	\$153.0	-	-
Jun-24*	Onslow Iron Project Haul Road	AUS	Develops and manages infrastructure for transporting iron ore	 Morgan Stanley INVESTMENT MANAGEMENT	 MINERAL RESOURCES	49.0%	\$863.1	-	-
May-24	Strong Built Development Corp.	PHL	Explore and manages in black and sand mining projects	 BKR	-	100.0%	\$86.1	-	-
May-24*	Subject assets of Shandong Ishine	CHN	Explores and develops iron ore and other mineral assets	Shandong Dane Mining Technology Co., Ltd.	Shandong Ishine Mining Industry Co.	100.0%	\$43.5	-	-
May-24	 HIGHGOLD	CAN	Explores and develops high-grade gold projects	 CONTANGO ORE	-	100.0%	\$37.0	-	-
May-24	 LA ARENA	PER	Explores and manages gold and copper mining projects	 ZIJIN	 PAN AMERICAN SILVER	100.0%	\$245.0	-	-
Apr-24	 ADVENTUS	CAN	Explores and manages gold and copper mining projects	 SILVERCORP METALS INC.	Multiple Sellers	100.0%	\$160.6	-	-

*Announced transactions pending approval and other customary closing conditions

Industry – Global Transactions (2/2)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Apr-24	Talc assets of Barretts Minerals Inc.	USA	Operates talc mining and processing assets	 RIVERSPAN PARTNERS	Barretts MINERALS	100.0%	\$32.0	-	-
Apr-24	Greenstone Gold Mine GP Inc.	CAN	Develops and operates gold mining projects	 EQUINOX GOLD	ORION RESOURCE PARTNERS	100.0%	\$995.0	-	-
Apr-24	 KARORA RESOURCES	AUS	Operates and develops gold and nickel mining assets	 WESTGOLD	-	100.0%	\$830.9	8.1x	2.4x

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

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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:



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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 1888</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>

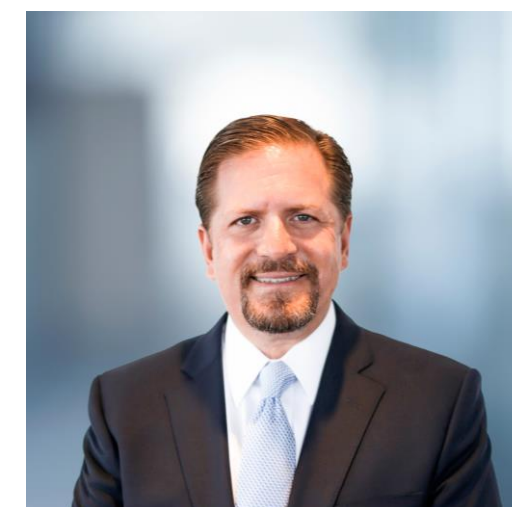


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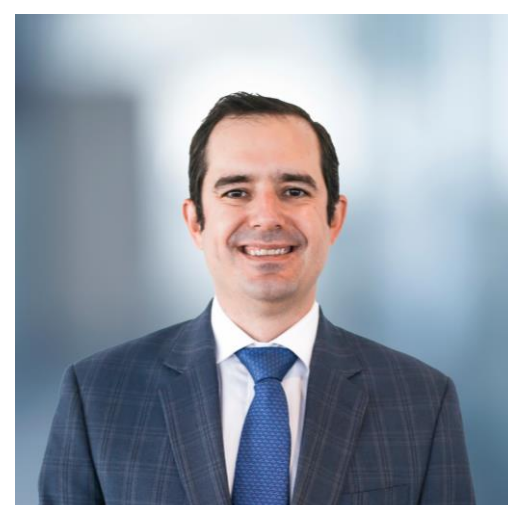


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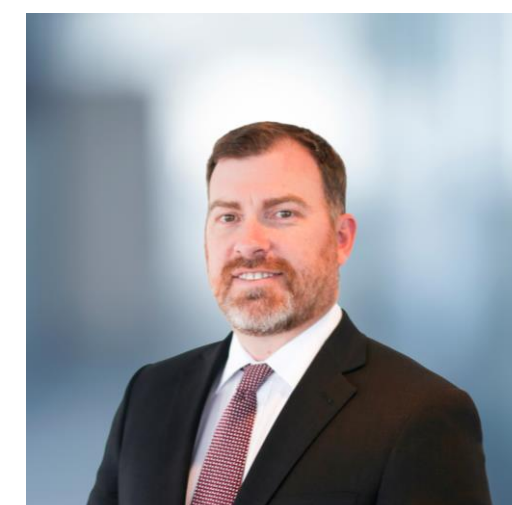


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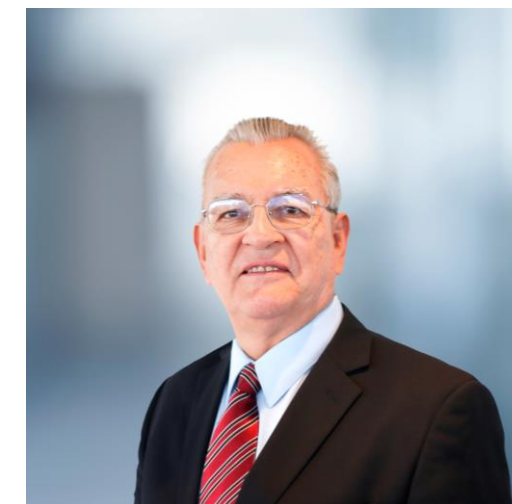


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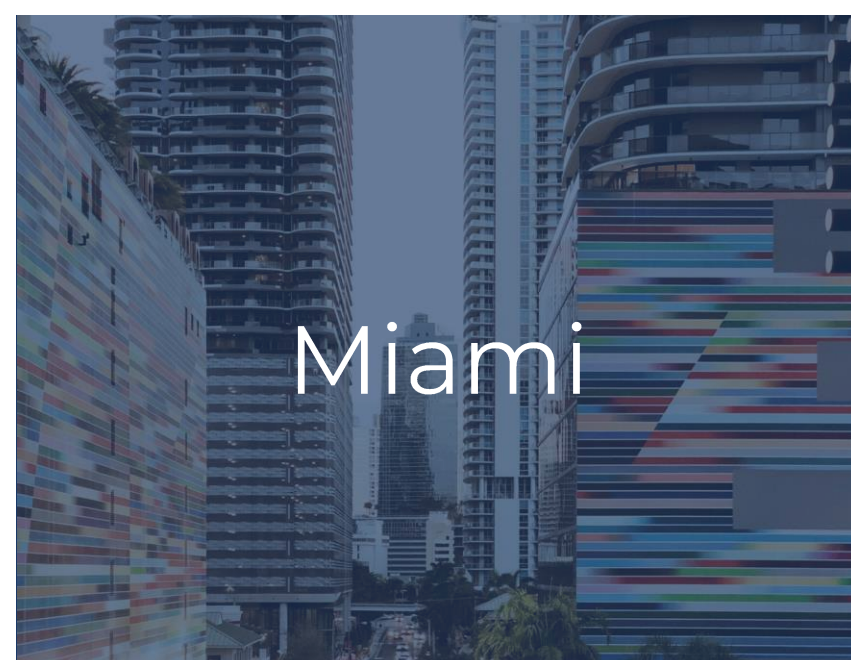
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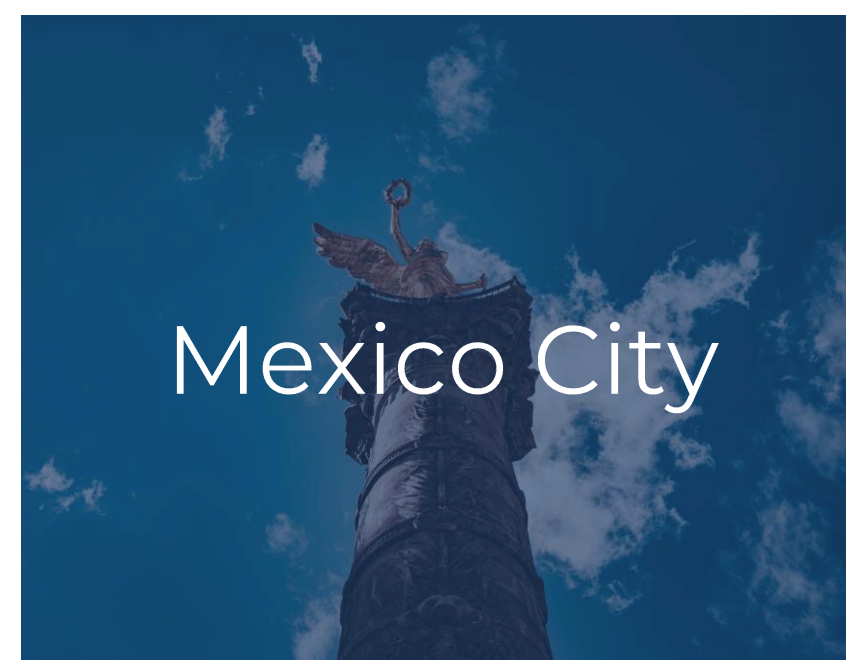
32+ years with Grupo Industrial Saltillo with experience as Director, Corp. Dev. and extensive global commercial experience
Instituto Tecnológico y de Estudios Superiores de Monterrey
MBA and BS in Industrial Engineering



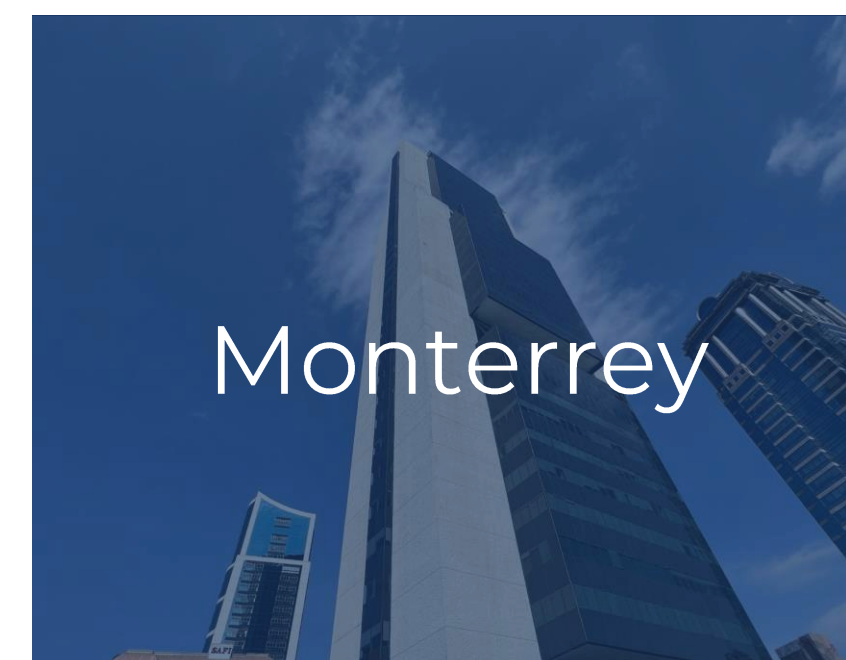
Washington D.C.



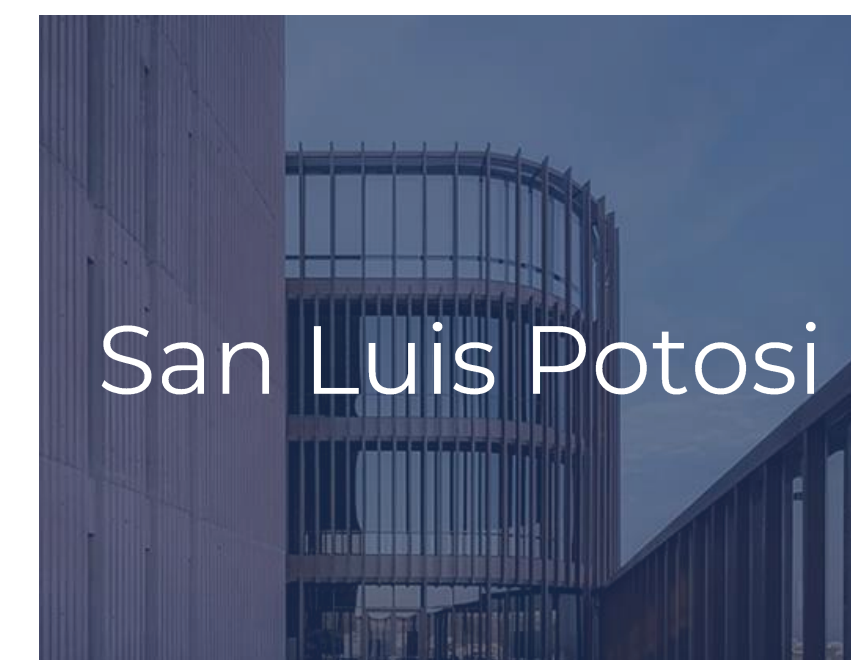
Miami



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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

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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.



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