



Seale & Associates

MINING INDUSTRY
Q3 2023
VALUATION UPDATE

Introduction

We are pleased to share our Mining Industry Multiples Valuation Update for Q3 2023.

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 Mining Industry 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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Mining Industry Overview, M&A Trends and Market Intelligence

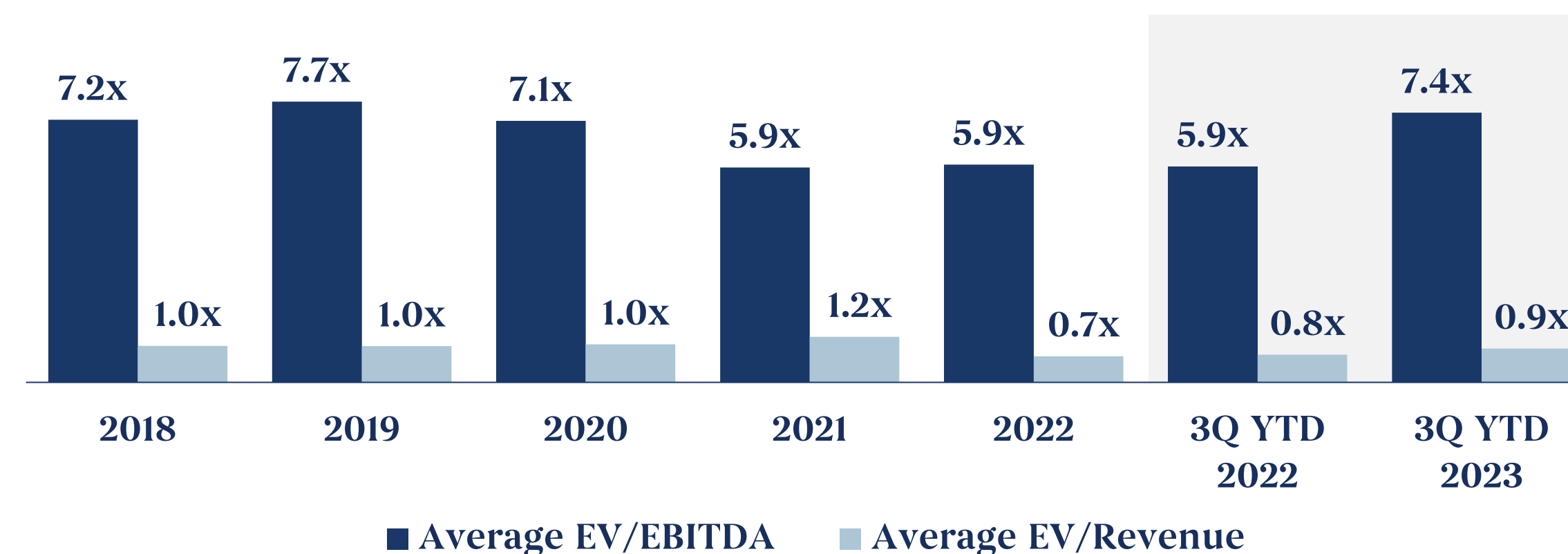
The Future of Mining in a 4.7% CAGR Landscape

- The industry is **projected to grow** from \$2,008.94 billion in **2022** to \$3,535.59 billion in **2032** at a **CAGR of 4.7%**. Technological advancements, increased investments, favorable government policies, and the use of on-site renewable energy drive this growth.
- There is an **increase** in the **adoption of digital technologies** to **enhance efficiency** and **productivity**. This includes using sensors, data analytics, IoT devices, and automation systems.
- **Sustainability** is becoming a **key focus** for mining companies, particularly regarding environmental and social practices. This includes reducing carbon emissions, minimizing waste, and improving community relations.
- Mining **companies** are **exploring electrification** to **reduce** their **dependence** on **fossil fuels** and meet sustainability goals. This includes using electric vehicles, battery-powered equipment, and renewable energy sources.
- There has been an **increasing appetite** for investments in **innovative exploration techniques** and **extraction technologies** to improve resource discovery, efficiency, and accuracy.
- Mining companies are **forming strategic partnerships** and **joint ventures** to share resources, **reduce costs**, and **access new technologies**.
- With the **rise** of **electric vehicles** and **renewable energy systems**, **demand** for 'future metals' like lithium and cobalt is increasing. This is driving M&A activity as mining companies seek to secure a sufficient share of these metals in their portfolios


Metals and Mining Industry M&A Deal Size and Volume













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



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		Third Quarter Sep. 30, 2023	
						2021	2022	EV/EBITDA	EV/Revenue
Agnico Eagle Mines Limited	 CAN	\$22,492	\$24,165	\$6,255	43.6%	9.3x	11.0x	8.9x	3.9x
Anglo American plc	 GBR	\$33,534	\$47,869	\$32,681	32.4%	5.4x	3.3x	4.5x	1.5x
Antofagasta plc	 GBR	\$17,192	\$21,074	\$6,224	46.8%	8.1x	4.9x	7.2x	3.4x
Barrick Gold Corporation	 CAN	\$25,604	\$34,671	\$11,112	49.8%	6.3x	6.3x	6.3x	3.1x
BHP Group Limited	 AUS	\$144,683	\$159,850	\$54,184	50.3%	7.1x	4.3x	5.9x	3.0x
China Shenhua Energy Company Limited	 CHN	\$81,470	\$72,892	\$47,489	35.6%	4.4x	4.5x	4.3x	1.5x
Fortescue Ltd	 AUS	\$41,523	\$42,534	\$16,871	57.8%	4.1x	3.3x	4.4x	2.5x
Freeport-McMoRan Inc.	 USA	\$53,460	\$66,097	\$22,708	34.7%	11.2x	5.9x	8.4x	2.9x
Fresnillo plc	 MEX	\$4,957	\$5,601	\$2,517	25.3%	7.5x	7.0x	8.8x	2.2x
Glencore plc	 CHE	\$70,482	\$92,443	\$228,964	10.4%	12.8x	5.6x	3.9x	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		Third Quarter Sep. 30, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Grupo México, S.A.B. de C.V.	 MEX	\$36,878	\$42,107	\$14,751	48.1%	6.1x	4.7x	5.9x	2.9x	
Industrias Peñoles, S.A.B. de C.V.	 MEX	\$4,689	\$7,625	\$5,832	13.7%	5.0x	4.7x	9.6x	1.3x	
Kinross Gold Corporation	 CAN	\$5,618	\$7,690	\$4,200	34.6%	4.4x	5.4x	5.3x	1.8x	
Newmont Corporation	 USA	\$29,409	\$32,248	\$11,055	34.9%	7.7x	10.3x	8.4x	2.9x	
Nucor Corporation	 USA	\$38,888	\$41,325	\$35,733	24.8%	7.8x	3.3x	4.7x	1.2x	
Rio Tinto Group	 GBR	\$106,104	\$111,197	\$52,446	37.8%	5.2x	3.7x	5.6x	2.1x	
Sociedad Minera Cerro Verde S.A.A.	 PER	\$10,677	\$9,812	\$4,365	39.2%	5.7x	5.0x	5.7x	2.2x	
Southern Copper Corporation	 USA	\$58,207	\$63,138	\$10,421	51.0%	11.4x	7.7x	11.9x	6.1x	
Teck Resources Limited	 CAN	\$22,463	\$29,559	\$10,381	42.6%	8.9x	4.3x	6.7x	2.8x	
Vale S.A.	 BRA	\$58,775	\$71,236	\$42,187	41.2%	4.0x	2.8x	4.1x	1.7x	
						Mean	6.1x	4.6x	5.4x	2.2x
						Median	6.7x	4.8x	5.9x	2.4x

Mining Industry – Global Transactions (1/2)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Sep-23	 URANIUM	CAN	Explores and develops uranium projects and provides mining and exploration services	 IsoEnergy	-	100.0%	\$185.1	NM	-
Sep-23	 TECHNOLOGY METALS AUSTRALIA LIMITED	AUS	Explores vanadium mineral projects	 Australian VANADIUM LIMITED	-	100.0%	\$54.1	NM	-
Sep-23	 NOVA ROYALTY	CAN	Acquires, explores, and develops copper and nickel royalties	 METALLA ROYALTY & STREAMING LTD.	Beedie/	100.0%	\$145.9	NM	-
Sep-23	Oil and gas assets in Canada	CAN	Mineral rights, related facilities and infrastructure in Repsol's Canadian upstream oil and gas business, including the assets in the Greater Edson area	 PEYTO Exploration & Development Corp.	 REPSOL	100.0%	\$465.8	-	-
Aug-23	 ORECORP LIMITED	AUS	Explores for copper, nickel, cobalt, and gold	 SILVERCORP METALS INC.	-	100.0%	\$142.2	NM	-
Jul-23	 MARA AGUA RICA - ALUMBRERA CATAMARCA ARGENTINA	ARG	Owens and operates a copper and gold project	GLENCORE	 PAN AMERICAN SILVER	56.3%	\$475.0	-	-
Jul-23	Agua de la Falda, S.A.	CHL	Owens and operates a gold and copper exploration company	RioTinto	 PAN AMERICAN SILVER	57.7%	\$45.6	-	-
Jul-23	Energy Transition Metals	BRA	Produces nickel, copper, cobalt and platinum group metals (PGM)	 MANARA MINERALS	 VALE	13.0%	\$3,400.0	-	-
Jul-23	Xianghuangqi Mengjin Mining Development	CHN	Mines and sells lithium, rubidium, cesium, niobium, and tantalum	GanfengLithium	-	70.0%	\$198.5	NM	-
Jul-23	Pilar Gold-Silver Project Sonora	MEX	2,172.7ha area located immediately adjacent and north of its Pilar Gold-Silver Project in Sonora, Mexico	 TOCVAN VENTURES CORP.	 Colibri RESOURCE CORPORATION	100.0%	\$4.9	-	-
Jul-23	 ROYAL BAFONENG PLATINUM	ZAF	Mines and produces PGM	 IMPLATS EXCELLENCE IN PGMs	 NORTHAM PLATINUM HOLDINGS LIMITED	75.5%	\$737.1	13.6x	2.1x

Mining Industry – Global Transactions (2/2)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Jul-23	 POLYMET MINING	USA	Posee yacimientos de cobre, níquel, cobalto y MGP	GLENCORE	-	17.8%	\$74.1	NM	-
Jul-23	 MUSGRAVE Minerals Ltd	AUS	Explora y desarrolla propiedades mineras de plata, oro, cobre y níquel	RAMELIUS RESOURCES 	-	100.0%	\$134.1	NM	-
Jul-23	 ESSENTIAL METALS	AUS	Desarrolla y opera proyectos mineros	DEVELOP	-	100.0%	\$101.3	NM	-

NM: Not Mesurable

Selected Transaction Commentary



“We see these strategic investments as a major milestone in our path to accelerate accretive growth in our Energy Transition Metals business platform, creating significant long-term value to all of our stakeholders. With our high-quality portfolio, we are uniquely positioned to meet the growing demand for green metals essential for the global energy transition, while remaining committed to strong social and environmental practices and sustainable mining.”

Eduardo Bartolomeo, CEO of Vale



“It will deliver tangible socio-economic benefits for the region and its communities, including employment security and through sustained direct and indirect benefits for the various industries and stakeholders supported by the mining activities in the greater-Rustenburg region.”

Nico Muller, CEO of Implats



“This transaction will create a new globally diversified precious metals producer. We believe this is a rare opportunity to leverage our technical expertise and strong balance sheet to unlock value for all shareholders by bringing Nyanzaga into commercial production by H2 2025.”










Dr. Rui Feng, Chairman and CEO of Silvercorp



“We are very excited by this transaction as it creates a new, diversified, industry leading uranium development and exploration company of greater scale that is focused on growth in Canada, the United States and Australia, the world's premier uranium jurisdictions.”

Tim Gabruch, President and CEO of IsoEnergy

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 - 2023	 \$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 - 2022	\$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

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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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Mandatos Representativos

 <p>INMAGUSA Grupo Galaz, S.A de C.V.</p> <p>has been acquired by</p> 	 <p>has sold</p>  <p>to</p> 	 <p>has sold its Sanitaryware business units ST. THOMAS CREATIONS and VITROMEX to </p>	 <p>has sold</p>  <p>to</p> 	 <p>has sold</p>  <p>to</p> 	 <p>has been acquired by</p> 	  <p>acquired</p> <p>The Zinc Recycling Business of</p> 
 <p>acquired</p>  <p>Automotive dealerships from</p> 	 <p>has sold</p>  <p>to</p> 	 <p>has sold Kidde de Mexico, S.A. de C.V. Fire Safety Solutions Business to an affiliate of</p> 	 <p>has sold its concrete pumping business</p> <p>to</p> 	<p>CORPORACION</p>  <p>has sold</p>  <p>to</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 
 <p>has been acquired by</p> 	<p>intelectiva®</p> <p>has acquired</p>  <p>KFC Costa Rica from</p> 	 <p>Multiple acquisitions</p> 	 <p>has partnered with</p>  <p>a subsidiary of</p> 	 <p>has been acquired by</p> 	 <p>has merged its Beverage Division with</p> 	 <p>has merged its Beverage Division with</p> 

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Please contact us if you would like further information about M&A trends and/or specific transaction multiples for your industry

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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

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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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Creative Solutions. Trusted Advice.