



Seale & Associates

MINING INDUSTRY
Q1 2023
VALUATION UPDATE

Introduction

We are pleased to share our Mining Industry Multiples Valuation Update for Q1 2023.

At Seale & Associates, we are committed to providing process-driven solutions designed to optimize value and achieve our clients' 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 23+ 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 that 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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SEALE & ASSOCIATES' SECTOR RELEVANT EXPERIENCE

Harrison Gypsum, LLC

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

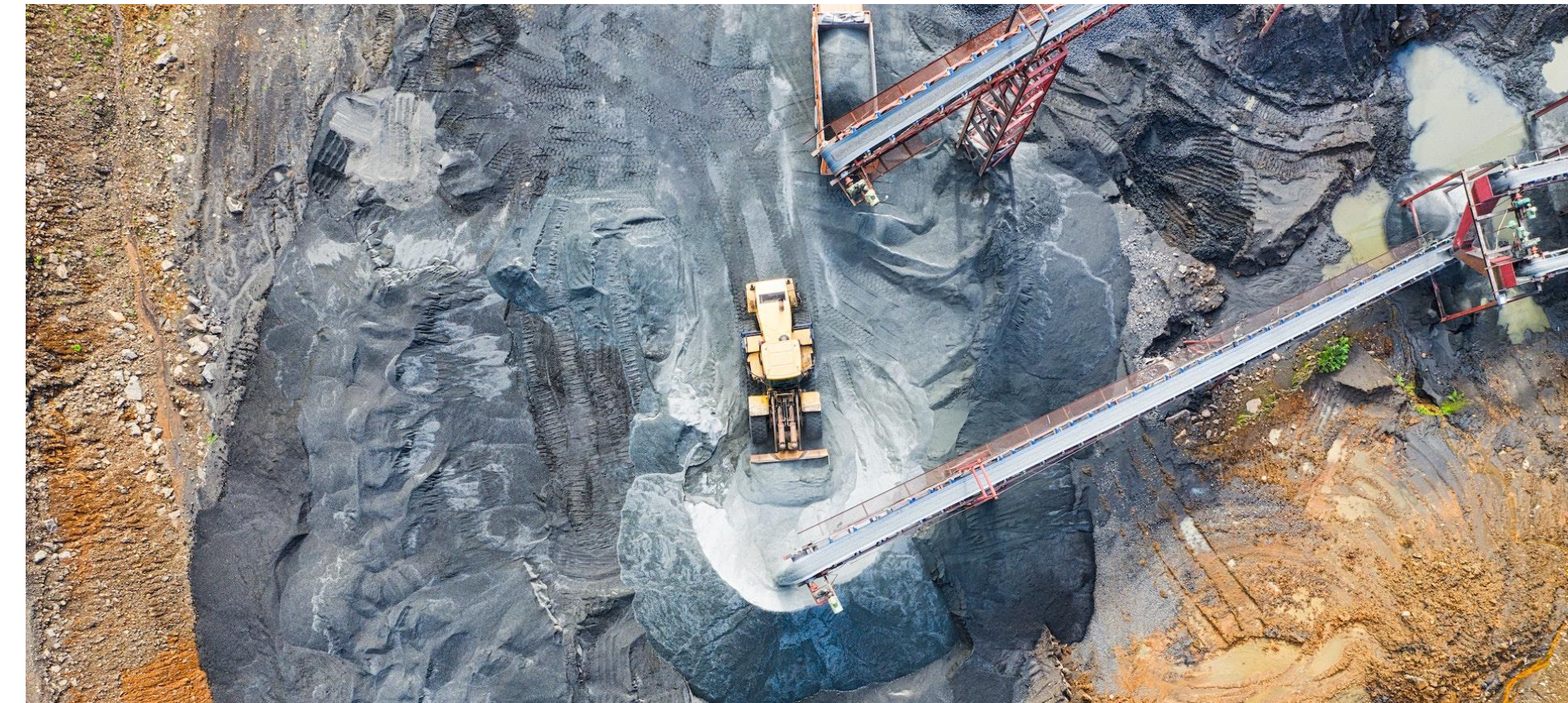
Seale & Associates was retained by the family owners to advise on a recapitalization of Harrison Gypsum as part of a succession planning and wealth diversification strategy, as well as an investment in additional gypsum reserves, equipment, and add-on acquisitions. The majority owner wanted to continue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



*has been
recapitalized by*

"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



































Mining Global Comparable Public Companies

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		First Quarter Mar. 31, 2023	
						2021	2022	EV/EBITDA	EV/Revenue
Anglo American plc	 GBR	\$40,186	\$53,845	\$35,118	37.3%	5.4x	3.3x	3.8x	1.5x
Antofagasta plc	 GBR	\$19,282	\$23,290	\$5,862	47.1%	8.1x	4.9x	8.1x	3.9x
Barrick Gold Corporation	 CAN	\$32,552	\$41,883	\$11,013	54.4%	6.3x	6.3x	6.7x	3.8x
BHP Group Limited	 AUS	\$160,393	\$171,195	\$65,411	57.6%	7.1x	4.3x	5.1x	2.9x
China Shenhua Energy Company Limited	 CHN	\$78,256	\$72,121	\$51,281	35.9%	4.4x	4.5x	4.0x	1.5x
Fortescue Metals Group Limited	 AUS	\$46,388	\$48,439	\$17,390	60.4%	4.1x	3.3x	4.8x	2.9x
Freeport-McMoRan Inc.	 USA	\$58,530	\$70,652	\$22,780	40.9%	11.1x	5.9x	7.5x	3.1x
Fresnillo plc	 MEX	\$6,801	\$7,356	\$2,433	30.8%	7.5x	7.0x	8.9x	2.9x
Glencore plc	 CHE	\$72,134	\$95,952	\$255,984	12.2%	12.8x	5.6x	2.7x	0.4x
Grupo México, S.A.B. de C.V.	 MEX	\$36,822	\$42,436	\$13,870	51.6%	6.1x	4.7x	5.5x	2.8x
Industrias Peñoles, S.A.B. de C.V.	 MEX	\$5,856	\$8,851	\$5,523	19.2%	5.0x	4.7x	6.7x	1.4x

Mining Global Comparable Public Companies (Continued)

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		First Quarter Mar. 31, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Kinross Gold Corporation	 CAN	\$5,757	\$8,031	\$3,455	32.6%	4.4x	5.4x	7.0x	2.3x	
Newcrest Mining Limited	 AUS	\$16,055	\$17,535	\$4,613	46.0%	7.2x	7.1x	8.1x	3.9x	
Newmont Corporation	 USA	\$38,947	\$41,391	\$11,571	31.1%	7.7x	10.3x	9.2x	3.5x	
Nucor Corporation	 USA	\$38,917	\$42,174	\$39,729	25.9%	7.8x	3.3x	3.6x	1.0x	
Rio Tinto Group	 GBR	\$114,576	\$120,186	\$55,554	40.2%	5.2x	3.7x	5.0x	2.1x	
Saudi Arabian Mining Company (Ma'aden)	 SAU	\$41,966	\$51,983	\$10,718	45.2%	17.5x	12.9x	10.2x	4.8x	
Sociedad Minera Cerro Verde S.A.A.	 PER	\$10,502	\$10,011	\$3,947	44.8%	5.7x	5.0x	5.4x	2.5x	
Southern Copper Corporation	 USA	\$58,949	\$63,836	\$10,078	50.8%	11.4x	7.7x	11.9x	6.4x	
Teck Resources Limited	 CAN	\$18,925	\$25,435	\$12,184	45.8%	8.9x	4.3x	4.0x	2.0x	
Vale S.A.	 BRA	\$71,086	\$83,588	\$42,190	45.4%	4.0x	2.8x	3.7x	1.9x	
Zijin Mining Group Company Limited	 CHN	\$46,724	\$66,166	\$40,835	14.2%	15.1x	9.8x	11.5x	1.7x	
						Mean	8.1x	5.8x	6.6x	2.7x
						Median	7.3x	5.0x	5.4x	2.4x

Mining – Q1 Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Mar-23	 Leüffer Mining Group	MEX	Produces iron ore	 REOSTAR Energy Corporation	-	100.0%	-	-	-
Mar-23	 Liontown	AUS	Explores, evaluates, and develops mineral properties	 ALBEMARLE	-	97.8%	\$3,769.9	-	-
Mar-23	 CASERONES	CHL	Explores and develops copper deposits	 lundin mining	 JX Nippon Mining & Metals	51.0%	\$950.0	-	-
Mar-23	 MINCOR Resources NL	AUS	Explores, evaluates, develops, and mines mineral resources	 WYLOO METALS	 igo MAKING A DIFFERENCE	80.1%	\$430.5	-	13.8x
Mar-23	 BREAKER Resources NL	AUS	Explores and develops gold and copper deposits	 RAMELIUS RESOURCES	Multiple Sellers	100.0%	\$88.8	-	-
Mar-23	 FACTON GOLD	CAN	Explores, evaluates, develops, and mines mineral resources	 TRILLIUM GOLD	-	100.0%	\$6.3	-	-
Mar-23	 VOYAGER Metals Inc.	CAN	Explores, evaluates, develops, and mines mineral resources	 CERRADO GOLD	-	100.0%	\$15.3	-	-
Mar-23	Luoyang Mining Group Co., Ltd.	CHN	Develops and explores mineral resources	Sichuan Contemporary Amperex Technology	Luoyang GuoHong Investment Holding	100.0%	\$3,848.7	-	-
Mar-23	 METALCORP	CAN	Acquires, explores, and evaluates mineral properties	 PALLADIUM ONE Mining Inc.	-	100.0%	\$2.4	-	-
Feb-23	 Manitou Gold Inc.	CAN	Acquires, explores, and develops mineral properties	 ALAMOS GOLD INC.	-	81.1%	\$10.1	-	-
Feb-23	 MILLENNIAL PRECIOUS METALS	CAN	Acquires, explores, evaluates, and develops mineral properties	 INTEGRA RESOURCES	-	100.0%	\$25.2	-	-
Feb-23	 SUPERIOR GOLD INC.	CAN	Acquires, explores, develops and operates gold resource properties	 catalyst METALS LTD	-	100.0%	\$51.9	8.0x	0.3x
Feb-23	 NEW CENTURY RESOURCES	AUS	Explores, evaluates, and develops mineral properties	 Sibanye Stillwater	Multiple Sellers	80.1%	\$98.5	1.4x	0.3x
Feb-23	 Sabina Gold & Silver Corp.	CAN	Acquires, explores, and develops mineral resource properties	 B2GOLD	Multiple Sellers	100.0%	\$797.3	-	-
Feb-23	 TullaResources	AUS	Explores, evaluates, and develops gold properties	 PANTORO	 TullaResources	100.0%	\$131.6	-	19.2x
Feb-23	 MINERA LATIN AMERICAN ZINC	MEX	Owns and operates a zinc, lead, and silver mining project	 IMPACT SILVER CORP	 CONSOLIDATED ZINC LTD	100.0%	\$6.0	-	-
							Mean	4.7x	8.4x
							Median	4.7x	7.0x

Representative Global Engagements

 has acquired 	 has acquired 	 has sold Triumph Processing - Embee Division to All Metals Processing of Orange County	 has sold Triumph Air Repair & Triumph Engines businesses to THE GOES GROUP	 has acquired unified brands from 	 has partnered with a company backed by 	 has acquired 	 has sold the North American guarding business of 	 has sold to 	 has sold to 	 a subsidiary of has sold to
 has sold to Daives Baird Pty Ltd a sister company of 	 has acquired 	 has sold to Code Flower Inc.	 has sold its GRACE Membranes Business a subsidiary of 	 has sold and to 	 has sold a controlling interest to 	 has been acquired by 	 has sold SENSI CARE and ALOE+VESTA to 	 has sold their Sanitaryware Manufacturing Plant to 	 has acquired Multiple snack companies 	 has sold to
 has sold Commercial Flight Training Business to 	 has been acquired by 	 has sold Oxbow Sulphur, Inc. to 	 has been acquired by 	 has sold to 	 has acquired 	 has acquired 	 has acquired 	 has sold its SYCAR Resins business to 	 has sold to Private Equity Partners	 has been acquired by
 has sold to 	 has acquired KFC Costa Rica from 	 has been acquired by 	 has sold to 	 has sold the Films Business of to 	 has been acquired by 	 has sold to 	 Oxbow's Senior Subordinated debt issued by was refinanced by 	 has sold to 	 has acquired from THE MOORE COMPANY	 sold its concrete pumping business to

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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.

Founded in 1999, Seale & Associates is a leading global investment bank with extensive experience in mergers and acquisitions, and corporate finance advisory services. Seale has an outstanding track record closing hundreds of sell-side and buy-side transactions, more than US\$50 billion in value, across a wide range of industries around the world. Our professionals are trusted advisors maintaining the highest quality and utmost integrity.

+20

YEARS OF EXPERIENCE

+\$50

BILLION CLOSED
TRANSACTIONS GLOBALLY

Services and Solutions

- Mergers & Acquisitions
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- Takeover Defense Support
- 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 many funds, family-offices and privately held companies.



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Creative Solutions. Trusted Advice.