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Seale & Associates

MINING INDUSTRY
Q3 2024
VALUATION UPDATE

25 years

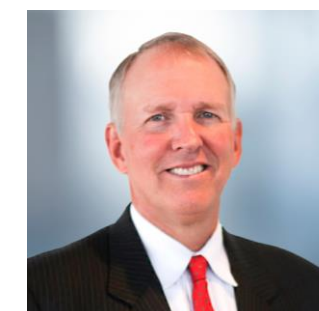
Introduction

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

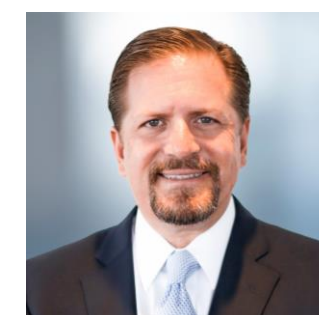
Over the course of 25+ years, we have successfully served clients all over the world, and we are delighted to continue providing investment banking advisory services to our clients who are looking to grow through acquisitions or optimize their portfolios through strategic divestitures.

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



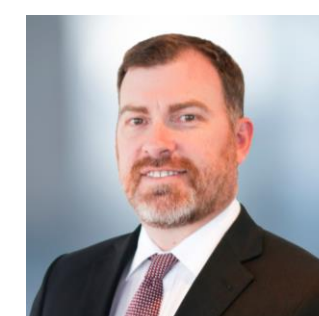
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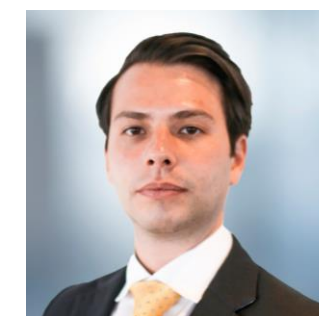
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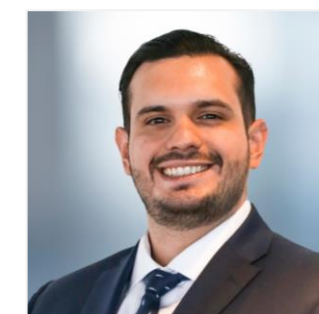
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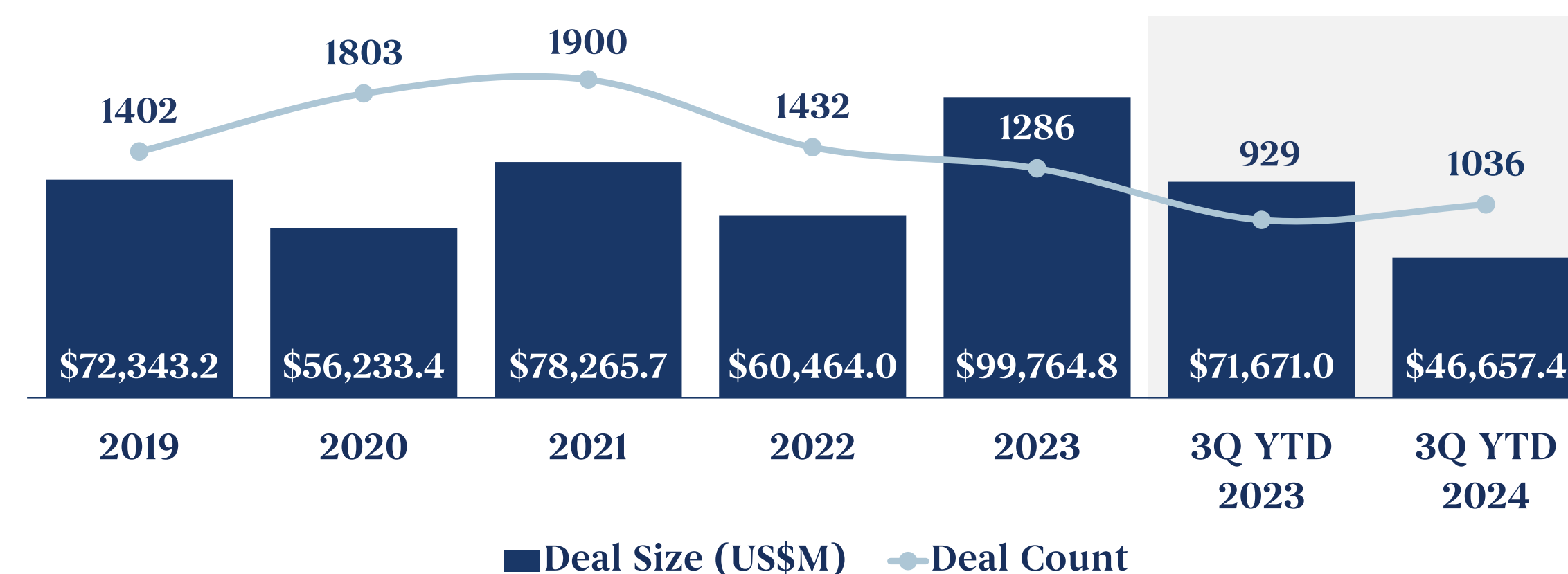


Mining Industry Overview, M&A Trends and Market Intelligence

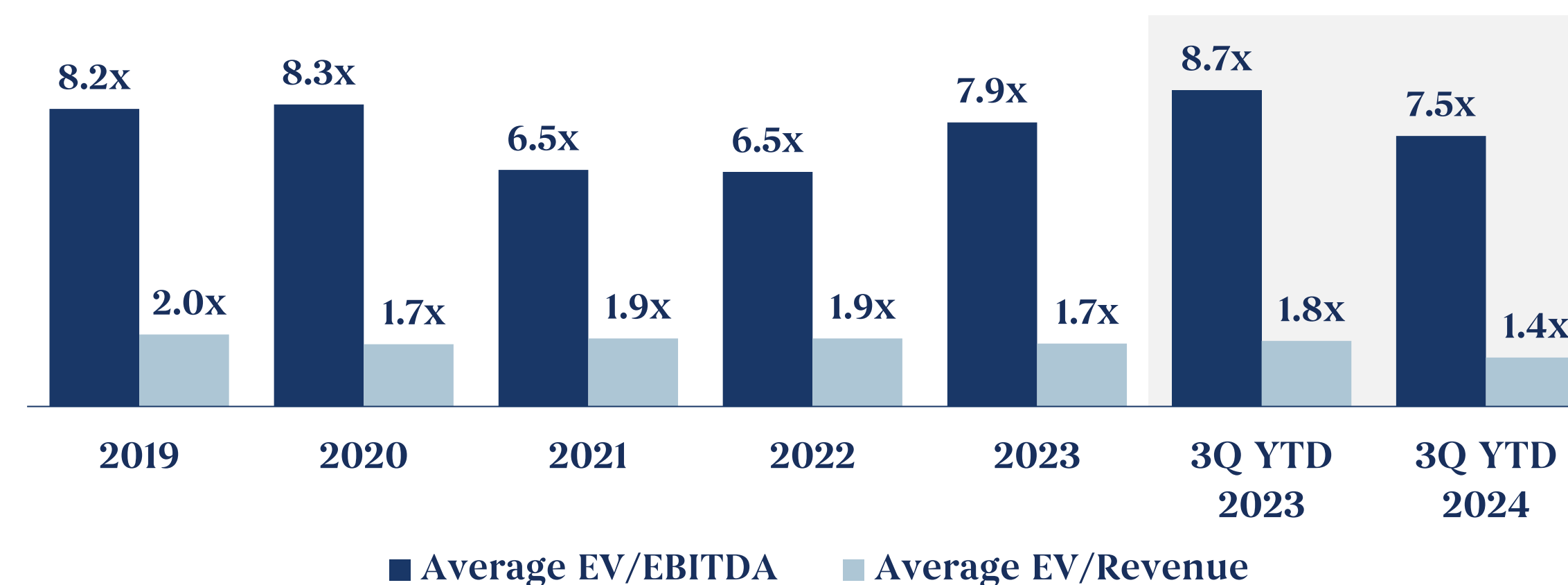
Industry Overview

- Global Foreign Direct Investments-related deals accounted for a **37.0% share** of the global mining industry's **M&A activity in Q2 2024**, up **16.0% 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














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, 2024	
						2022	2023	EV/EBITDA	EV/Revenue
Agnico Eagle Mines Limited	 CAN	\$38,001	\$38,633	\$7,819	54.2%	11.0x	9.6x	9.1x	4.9x
Anglo American plc	 GBR	\$34,418	\$52,126	29,442	32.4%	3.3x	4.0x	5.5x	1.8x
Antofagasta plc	 GBR	\$20,521	\$25,276	\$6,390	47.2%	4.9x	7.6x	8.4x	4.0x
Barrick Gold Corporation	 CAN	\$29,441	\$38,692	\$12,336	46.2%	6.3x	7.8x	6.8x	3.1x
BHP Group Limited	 AUS	\$133,517	\$147,148	\$56,027	45.4%	4.3x	5.3x	5.8x	2.6x
China Shenhua Energy Company Limited	 CHN	\$103,862	\$98,364	\$47,718	32.1%	4.5x	4.1x	6.4x	2.1x
Fortescue Ltd	 AUS	\$36,520	\$36,983	\$18,220	58.4%	3.3x	4.7x	3.5x	2.0x
Freeport-McMoRan Inc.	 USA	\$61,960	\$77,957	\$25,640	39.4%	5.9x	8.1x	7.7x	3.0x
Fresnillo plc	 MEX	\$5,938	\$6,487	\$2,850	33.7%	7.0x	9.0x	6.8x	2.3x
Glencore plc	 CHE	\$58,220	\$81,807	\$227,505	5.9%	5.6x	3.3x	6.1x	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, 2024		
						2022	2023	EV/EBITDA	EV/Revenue	
Grupo México, S.A.B. de C.V.	 MEX	\$38,587	\$43,075	\$15,727	50.8%	4.7x	5.7x	5.4x	2.7x	
Industrias Peñoles, S.A.B. de C.V.	 MEX	\$5,542	\$8,208	\$6,234	23.3%	4.7x	9.2x	5.6x	1.3x	
Kinross Gold Corporation	 CAN	\$11,445	\$12,763	\$4,849	47.1%	5.4x	6.1x	5.6x	2.6x	
Newmont Corporation	 USA	\$46,938	\$52,899	\$16,987	37.9%	10.3x	9.9x	8.2x	3.1x	
Nucor Corporation	 USA	\$35,739	\$39,056	\$31,363	16.0%	3.3x	4.3x	7.8x	1.2x	
Rio Tinto Group	 GBR	\$102,982	\$109,408	\$54,176	38.2%	3.7x	5.2x	5.3x	2.0x	
Sociedad Minera Cerro Verde S.A.A.	 PER	\$14,527	\$13,733	\$4,175	40.6%	5.0x	5.5x	8.1x	3.3x	
Southern Copper Corporation	 USA	\$79,824	\$83,901	\$10,945	55.5%	7.7x	11.7x	13.8x	7.7x	
Teck Resources Limited	 CAN	\$23,056	\$25,344	\$11,923	41.3%	4.3x	5.4x	5.1x	2.1x	
Vale S.A.	 BRA	\$42,025	\$54,559	\$36,357	36.5%	2.8x	4.0x	4.1x	1.5x	
■ Excluded from mean and median						Mean	4.8x	6.2x	6.2x	2.2x
						Median	4.8x	5.6x	6.3x	2.5x

Industry – Global Transactions (1/2)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Sep-24*	 CENTAMIN	JEY	AngloGold , a leading global gold mining company, announced the acquisition of Centamin , a gold miner known for its flagship Sukari Gold Mine in Egypt	 ANGLOGOLD ASHANTI	Multiple Sellers	100.0%	\$2,500.0	6.0x	2.7x
Sep-24*	Global Aluminium Private Limited	IND	Fairfax India , an investment company, announced the acquisition of Global Aluminium , a manufacturer of high-precision aluminum extrusions	 FAIRFAX INDIA	-	100.0%	\$82.8	-	-
Sep-24*	 GATOS SILVER	CAN	First Majestic Silver Corp , a mining company focused on silver production, announced the acquisition of Gatos Silver , a silver mining company with primary operations at the Cerro Los Gatos Mine in Mexico	 FIRST MAJESTIC SILVER CORP	 THE ELECTRUM GROUP	65.0%	\$967.7	-	-
Aug-24*	 ARCH	USA	CONSOL Energy , a producer of coal and natural gas, announced the acquisition of Arch Resources , a major coal mining company, enhancing CONSOL's coal asset base, particularly in metallurgical coal market	 CONSOL ENERGY FUEL THE WORLD FOR A BETTER TOMORROW	Multiple Sellers	100.0%	\$2,632.8	4.9x	0.8x
Aug-24	Minera y Metalurgia Paika SA de CV	MEX	Ranchero Gold , a precious metals exploration company, completed the sale of its Mexican subsidiary, Minera y Metalurgia Paika , which holds the Santa Daniela gold project in Mexico	-	 RANCHEROGOLD	100.0%	-	-	-
Aug-24*	 LATIN RESOURCES	AUS	Pilbara Minerals , a lithium producer, announced the acquisition of Latin Resources , a mining exploration company broadening Pilbara's lithium resource base and enhancing its strategic presence in the global lithium market	 Pilbara Minerals	-	100.0%	\$371.1	-	-
Aug-24*	Minera Apolo S.A. de C.V.	MEX	Goldgroup Mining , a gold production and exploration company, announced the acquisition of Minera Apolo , a mining company focused on focused on precious metals exploration	 Goldgroup	-	100.0%	\$3.3	-	-
Aug-24	All Assets of Nevada Copper Corp.	CAN	Southwest Critical Materials , a company focused on acquiring critical mineral assets, acquired all assets of Nevada Copper Corp , a mining company with copper operations in Nevada	Southwest Critical Materials, LLC	Nevada Copper Corp.	100.0%	\$128.0	-	-
Aug-24	 OSISKO MINING	CAN	Gold Fields Windfall Holdings , a subsidiary of global gold producer Gold Fields, acquired Osisko Mining , a mining company focused on the high-grade Windfall gold project in Québec	Gold Fields Windfall Holdings Inc	Multiple Sellers	100.0%	\$1,390.0	-	-

Industry – Global Transactions (2/2)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Aug-24*	Galan, Argentinian lithium assets	ARG	Energy Exploration Technologies , a company specializing in lithium extraction technologies, announced the acquisition of Galan's Argentinian lithium assets , which include lithium-rich brine projects in Argentina's "Lithium Triangle"			100.0%	\$100.0	-	-
Jul-24		CAN	Integra Resources , an exploration and development company, acquired Florida Canyon Gold , a gold mining company with an active gold mine			100.0%	\$69.2	-	-
Jul-24		CAN	Lundin Mining , a base metals mining company, and BHP Investments , a subsidiary of global mining giant BHP , jointly announced the acquisition of Filo Corp , an exploration company with significant copper-gold-silver projects	Multiple Buyers	Nemesia S.À R.L.	100.0%	\$2,959.2	-	-

*Announced transactions pending approval and other customary closing conditions

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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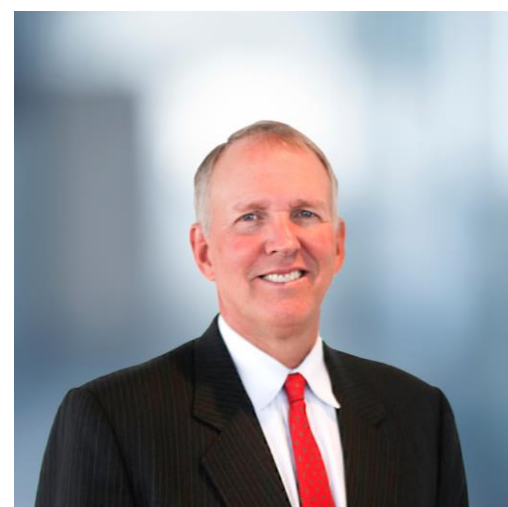
Valuable insights for industry leaders

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 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 IMPROVEMENTS IN SHAPE CUTTING 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>

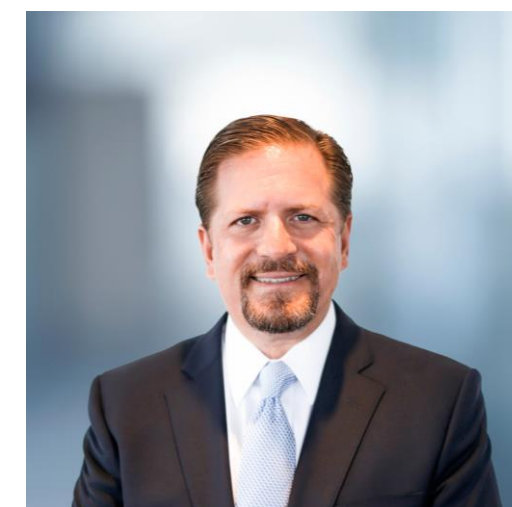


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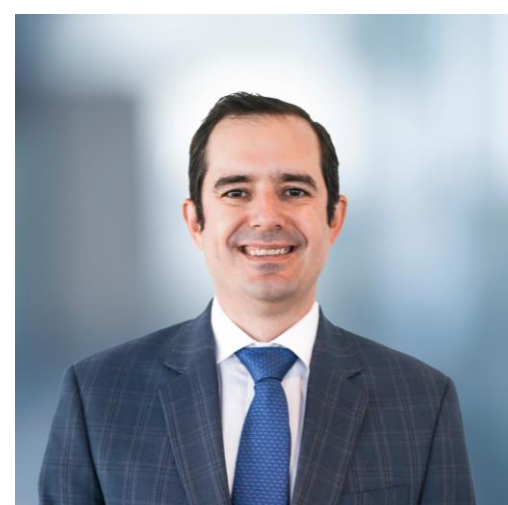


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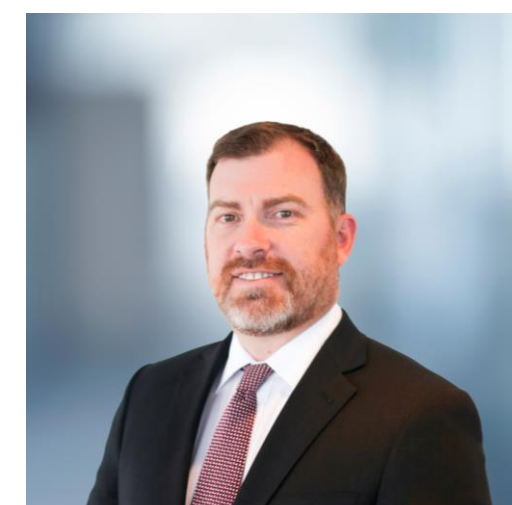


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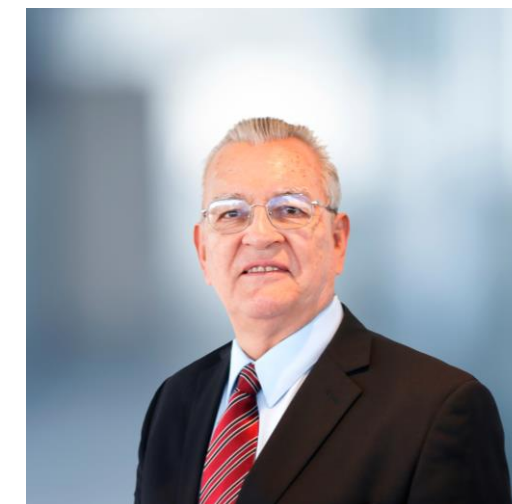


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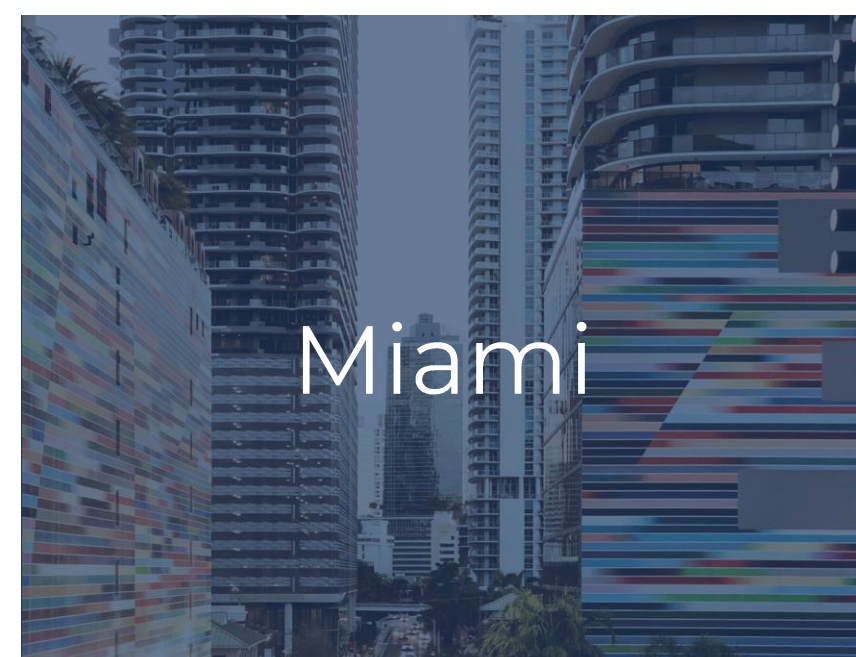
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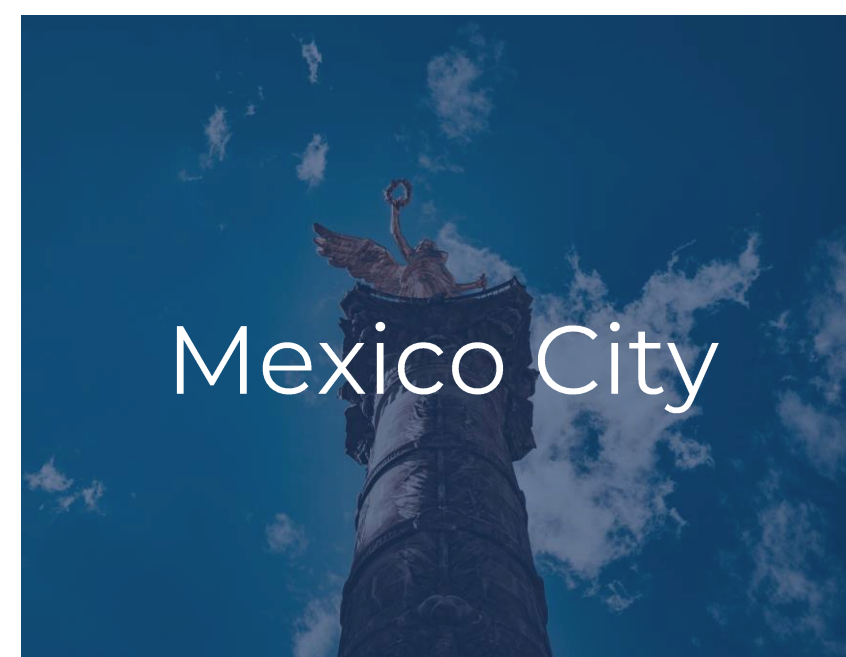
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Washington D.C.



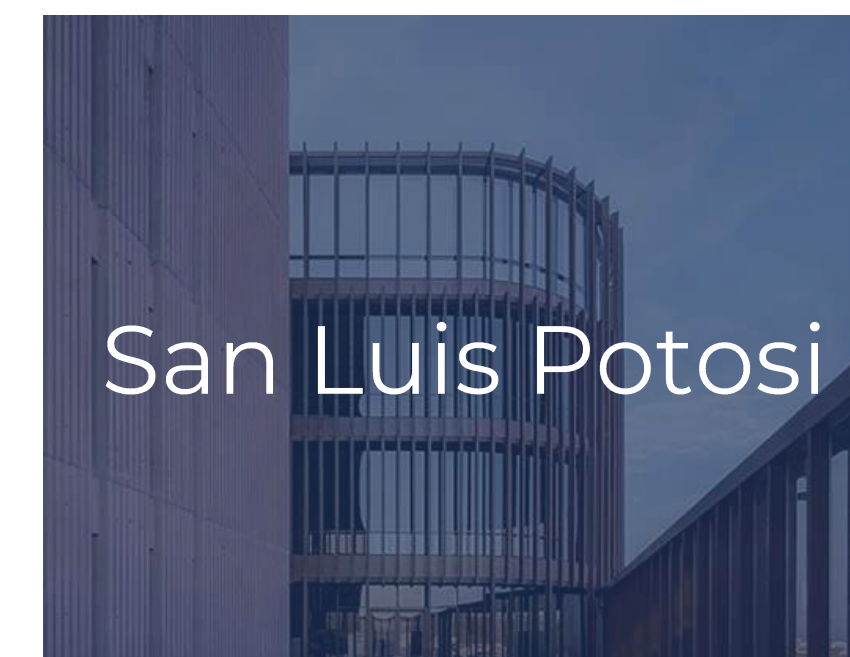
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San Luis Potosi

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

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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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