



INDUSTRY UPDATE

METALS & MINING
Q3 2021

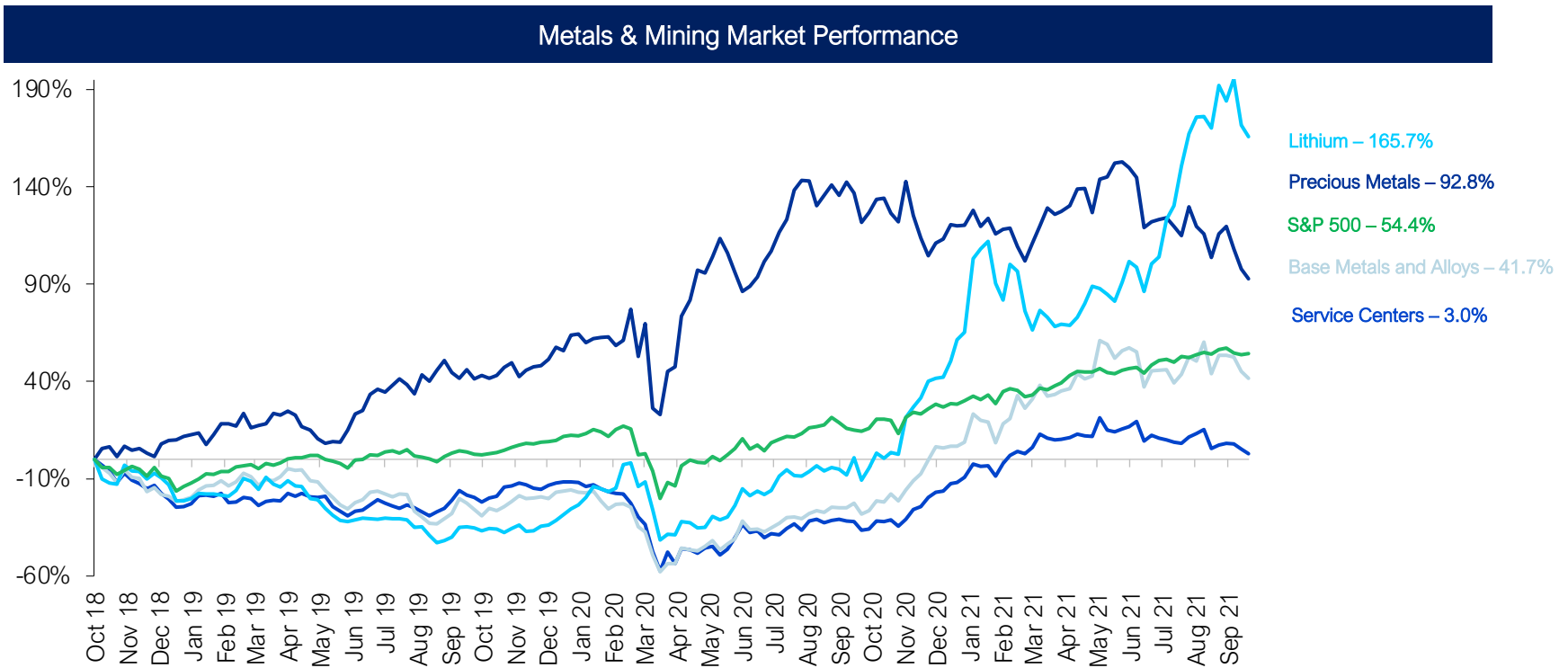


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Public Market Performance

Public equities across most segments of the Metals & Mining industry saw a slight decrease in Q3 2021 compared to the large rebound that was demonstrated in the second half of 2020 and the first half of 2021. As the economy continues to recover from the effects of the COVID-19 pandemic, the Metals & Mining industry has benefitted from an increase in demand for most metals due to the release of pent-up consumer spending, government stimulus efforts, and an accelerating global energy transition. More recently, high demands for metals, combined with labor constraints and supply chain issues, have caused historically high pricing and largely impacted the supply of metals across the industry. This downturn in the industry is expected to be short lived as companies continue to navigate demand issues and labor constraints ease. On a 3-year period ending in September 2021, the Lithium and Precious Metals sectors (165.7% and 92.8%, respectively) have outpaced the S&P 500, which has had a 54.4% return. Strong performance is expected to continue in the coming years.

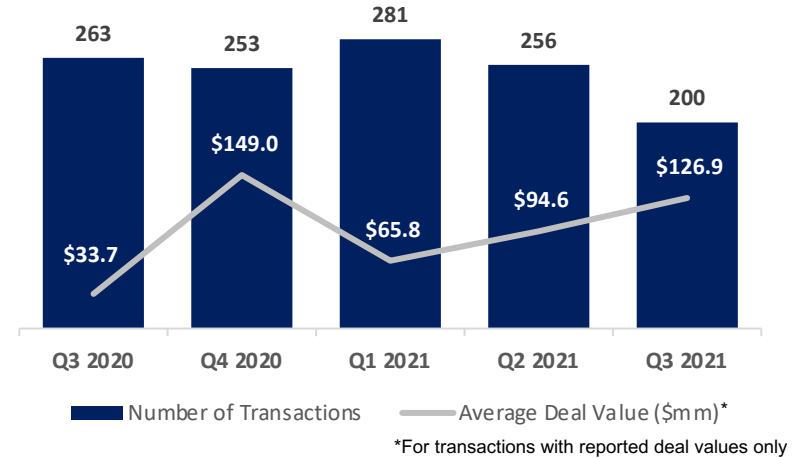


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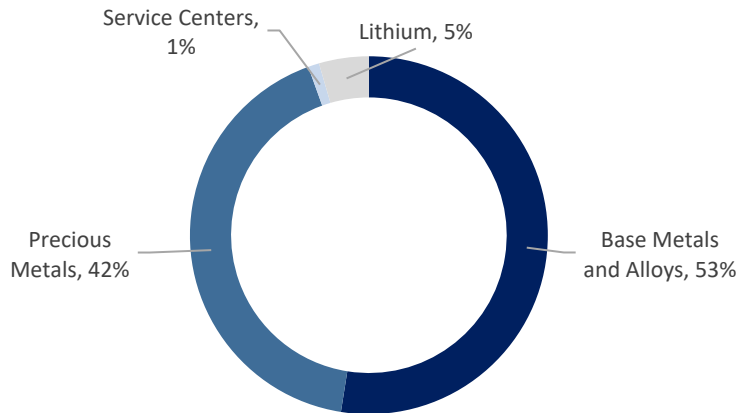
M&A Activity

The volume of M&A activity in the Metals & Mining industry continued to decrease in Q3 2021 with 200 deals closed, versus 256 during the prior quarter. Interestingly, the average deal value (based on transactions with reported values only) is about 1.3x larger in Q3, even with the decrease in activity. This appears to signal that the market is more aggressively pursuing higher-end metals & mining companies. Strategic buyers continue to represent the largest percentage of the transactions and have sought acquisitions to expand their service offerings and geographic footprint, while also searching for synergies. However, buyer activity from private equity sponsors with sufficient capital and the motivation to invest in attractive companies across the sector has more than doubled from the previous quarter. The Base Metals and Alloys category led activity, accounting for 53% of total Metals & Mining transaction volume. The Precious Metals sector proved to be an attractive target as well with 42% of deal flow.

Metals & Mining M&A Activity

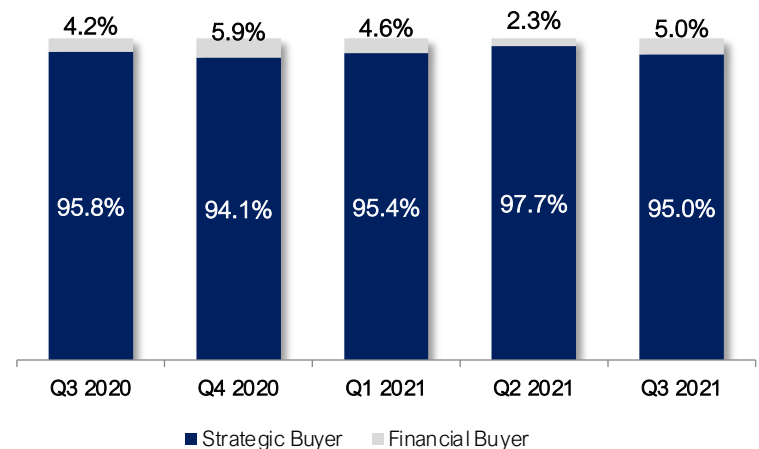


Q3 2021 M&A Activity by Sector



Source: S&P Capital IQ
 Note: All values based on publicly available data as of 9/30/2021

M&A Activity by Buyer Type



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Select M&A Transaction Activity

Announcement Date	Target Name	Buyer Name	Sector	Value (\$mm)	TEV/Rev	TEV/EBIT DA
09/30/2021	Lithium Brine Project In Nevada	Arbor Metals Corp. (TSXV:ABR)	Lithium	-	-	-
09/28/2021	Kirkland Lake Gold Ltd. (TSX:KL)	Agnico Eagle Mines Limited (NYSE:AEM)	Precious Metals	10,645.41	3.72	5.44
09/27/2021	Steel Piling Products Business of L.B. Foster Company	JD Fields & Company, Inc.	Base Metals and Alloys	24.0	-	-
09/20/2021	H.C. Starck Inc.	Materion Corporation (NYSE:MTRN)	Base Metals and Alloys	380.0	-	-
09/08/2021	Component Solutions Group, Inc.	Bufab AB (publ) (OM:BUFAB)	Base Metals and Alloys	36.0	-	-
09/08/2021	Big Smoky Holdings Corp.	American Lithium Corp. (TSXV:LI)	Lithium	5.36	-	-
09/07/2021	Aquila Resources Inc. (TSX:AQA)	Gold Resource Corporation (NYSEAM:GORO)	Precious Metals	-	-	-
09/03/2021	Lab Products, Inc./Harford Systems, Inc.	Gen Cap America, Inc.	Base Metals and Alloys	-	-	-
08/26/2021	Lucara Diamond Corp. (TSX:LUC)	Lorito Holdings S.à R.L.; Zebra Holdings And Investments S.à R.L.; Nemesia S.À R.L.	Precious Metals	12.5	1.10	2.58
08/25/2021	Buccaneer Gold Corp. (CNSX:BUCK)	Strategic Minerals Europe Inc.	Precious Metals	53.61	-	-
08/18/2021	Business Assets Of Merit Ends and Viking Processing Corporation	Majestic Steel USA, Inc.	Service Centers	-	-	-
08/10/2021	World Copper Ltd. (TSXV:WCU)	Wealth Minerals Ltd. (TSXV:WML)	Base Metals and Alloys	3.48	-	-
08/02/2021	Utah Pacific Bridge & Steel, LLC/Mountain Pacific Transport, LLC	Gladstone Management Corporation	Base Metals and Alloys	24.3	-	-
07/26/2021	New Carolin Gold Corp.	Talisker Resources Ltd. (TSX:TSK)	Precious Metals	4.27	-	-
07/21/2021	Gavin Mines Inc.	Blue Lagoon Resources Inc. (CNSX:BLLG)	Precious Metals	0.297	-	-
07/21/2021	Probe Metals Inc. (TSXV:PRB)	Eldorado Gold Corporation (TSX:ELD)	Base Metals and Alloys	18.87	-	-
07/20/2021	Hannibal Industries, Inc.	Nucor Corporation (NYSE:NUE)	Service Centers	370.0	-	-
07/14/2021	Hansa Resources Limited (TSXV:HRL)	Tribeca Resources Ltd.	Base Metals and Alloys	8.92	-	-
07/13/2021	Corvus Gold Inc. (TSX:KOR)	AngloGold Ashanti Holdings plc	Precious Metals	360.65	-	-

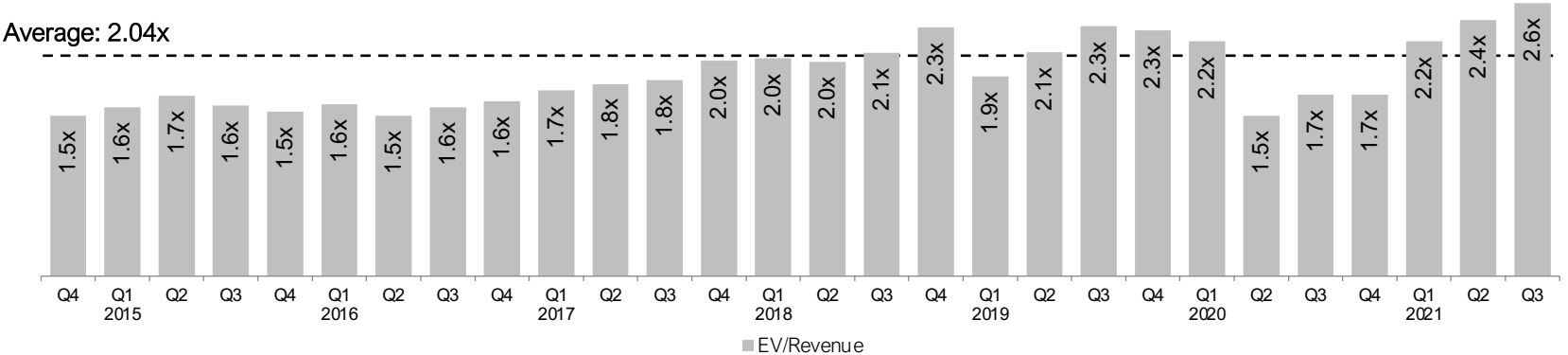
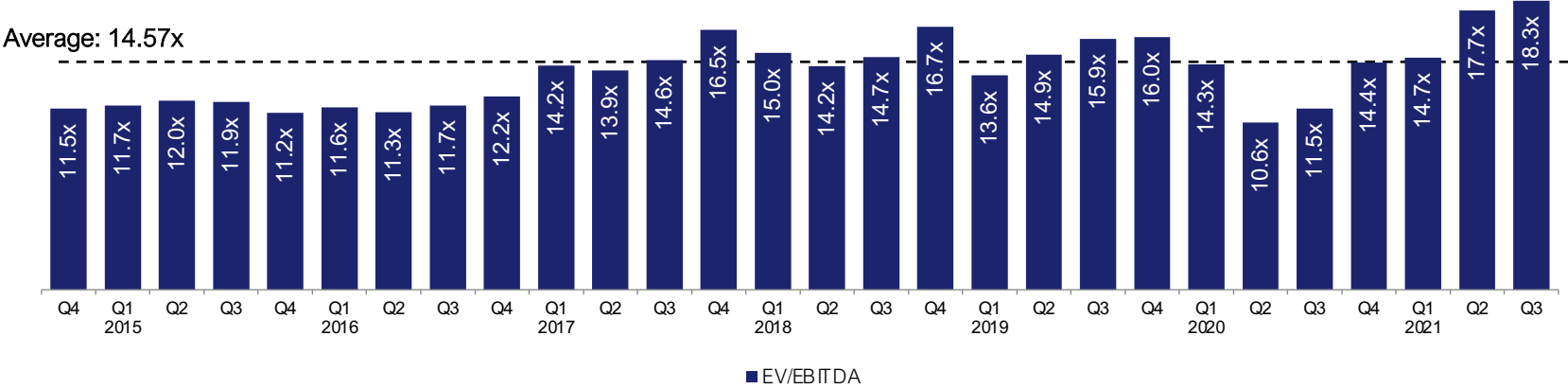
Source: S&P Capital IQ

Note: All values based on publicly available data as of 9/30/2021



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Public Company Trading Multiples



Source: S&P Capital IQ
 Note: All values based on publicly available data as of 9/30/2021



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Public Comparable Companies

Company Name	Enterprise		Revenue		Price Change		LTM Margins		TEV / LTM:	
	Value (\$mils)		(\$mils)		3 month	12 month	Gross	EBITDA	Revenue	EBITDA
Precious Metals										
Anglo American Platinum Limited	\$ 18,939	\$	14,234		(24.8%)	24.7%	43.4%	44.9%	1.4x	3.1x
Golden Minerals Company	\$ 64	\$	17		(29.7%)	2.8%	42.9%	(19.6%)	5.9x	NM
Agnico Eagle Mines Limited	\$ 14,043	\$	3,803		(14.2%)	(34.9%)	56.8%	48.5%	3.7x	7.1x
Newmont Corporation	\$ 45,469	\$	12,213		(14.3%)	(14.4%)	53.5%	49.5%	3.6x	6.5x
Wheaton Precious Metals Corp.	\$ 16,753	\$	1,210		(14.5%)	(23.1%)	76.5%	72.1%	13.7x	19.1x
Eldorado Gold Corporation	\$ 1,491	\$	975		(22.0%)	(26.5%)	52.1%	44.8%	1.5x	3.1x
Pan American Silver Corp.	\$ 4,740	\$	1,641		(18.4%)	(27.4%)	42.9%	38.2%	3.3x	7.3x
Fresnillo plc	\$ 7,966	\$	2,843		(1.0%)	(31.8%)	40.9%	54.0%	2.9x	5.3x
Eurasia Mining Plc	\$ 954	\$	2		22.9%	39.2%	(13.9%)	(177.9%)	NM	NM
Newmont Corporation	\$ 45,469	\$	12,213		(14.3%)	(14.4%)	53.5%	49.5%	3.6x	6.5x
Barrick Gold Corporation	\$ 40,511	\$	11,954		(12.6%)	(35.6%)	41.4%	53.4%	3.3x	5.5x
Coeur Mining, Inc.	\$ 1,911	\$	853		(30.5%)	(16.4%)	39.0%	31.2%	2.2x	6.0x
Mean	\$ 10,844	\$	5,163		(14.5%)	(13.1%)	44.1%	24.1%	4.1x	6.9x
Median	\$ 11,004	\$	2,242		(14.4%)	(19.7%)	43.2%	46.7%	3.3x	6.3x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 9/30/2021



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Public Comparable Companies (Cont'd)

<u>Company Name</u>	<u>Enterprise Value (\$mils)</u>	<u>Revenue (\$mils)</u>	<u>Price Change</u>		<u>LTM Margins</u>		<u>TEV / LTM:</u>		
			<u>3 month</u>	<u>12 month</u>	<u>Gross</u>	<u>EBITDA</u>	<u>Revenue</u>	<u>EBITDA</u>	
Service Centers									
Russel Metals Inc.	\$ 1,694	\$ 2,952	(12.1%)	76.1%	27.8%	13.8%	0.7x	6.0x	
DXP Enterprises, Inc.	\$ 864	\$ 1,053	(11.2%)	83.3%	27.3%	4.4%	0.9x	13.4x	
Reliance Steel & Aluminum Co.	\$ 10,178	\$ 12,239	(5.6%)	39.6%	32.3%	14.7%	1.0x	6.9x	
Ryerson Holding Corporation	\$ 1,656	\$ 4,994	52.5%	288.7%	19.5%	7.0%	0.4x	7.3x	
Schnitzer Steel Industries, Inc.	\$ 1,483	\$ 2,759	(10.7%)	127.8%	16.1%	9.3%	0.6x	5.7x	
Worthington Industries, Inc.	\$ 3,214	\$ 3,579	(13.9%)	29.2%	20.8%	13.1%	0.9x	5.1x	
thyssenkrupp AG	\$ 2,508	\$ 39,424	2.1%	110.1%	12.8%	3.2%	0.1x	NM	
Klöckner & Co SE	\$ 1,612	\$ 7,702	(8.3%)	96.0%	26.0%	10.8%	0.2x	3.0x	
Toyota Tsusho Corporation	\$ 25,272	\$ 65,637	(9.9%)	52.8%	9.7%	5.4%	0.4x	7.3x	
Olympic Steel, Inc.	\$ 558	\$ 2,019	(17.1%)	114.4%	22.5%	7.5%	0.3x	5.6x	
Mean	\$ 4,904	\$ 14,236	(3.4%)	101.8%	21.5%	8.9%	0.5x	6.7x	
Median	\$ 1,675	\$ 4,287	(10.3%)	89.6%	21.7%	8.4%	0.5x	6.0x	

Source: S&P Capital IQ

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Public Comparable Companies (Cont'd)

Company Name	Enterprise		Revenue		Price Change		LTM Margins		TEV / LTM:	
	Value (\$mils)	(\$mils)	3 month	12 month	Gross	EBITDA	Revenue	EBITDA		
Base Metals and Alloys										
Cleveland-Cliffs Inc.	\$ 16,241	\$ 17,354	(8.1%)	208.6%	21.5%	24.4%	1.2x	6.7x		
United States Steel Corporation	\$ 10,465	\$ 17,215	(8.5%)	199.3%	24.8%	22.8%	0.8x	5.3x		
Nucor Corporation	\$ 31,830	\$ 25,994	2.7%	119.5%	20.5%	19.8%	1.2x	6.1x		
Commercial Metals Company	\$ 4,430	\$ 6,730	(0.8%)	52.5%	16.4%	11.5%	0.7x	6.3x		
Hyundai Steel Company	\$ 14,685	\$ 17,928	(15.7%)	89.6%	13.1%	15.8%	0.9x	6.8x		
Voestalpine AG	\$ 10,917	\$ 15,298	(8.8%)	40.6%	20.7%	11.3%	0.8x	6.4x		
Glencore plc	\$ 91,750	\$ 165,182	11.2%	128.2%	4.0%	8.4%	0.6x	5.9x		
HBIS Group Co., Ltd.	\$ -	\$ 66,893	-	-	14.9%	8.1%	0.0x	0.0x		
POSCO	\$ 28,326	\$ 59,447	(9.3%)	65.9%	14.5%	16.0%	0.5x	3.6x		
Ternium S.A.	\$ 10,170	\$ 14,341	10.0%	124.6%	36.6%	35.7%	0.9x	2.6x		
Freeport-McMoRan Inc.	\$ 59,946	\$ 21,176	(12.3%)	108.0%	46.0%	45.1%	3.2x	7.5x		
Southern Copper Corporation	\$ 48,006	\$ 10,461	(12.7%)	24.0%	64.0%	61.4%	4.8x	8.0x		
Allegheny Technologies Incorporated	\$ 3,401	\$ 2,693	(20.2%)	90.7%	9.8%	7.5%	1.3x	28.4x		
Universal Stainless & Alloy Products, Inc.	\$ 144	\$ 144	0.5%	85.2%	8.6%	6.9%	1.0x	36.4x		
Carpenter Technology Corporation	\$ 2,025	\$ 1,510	(18.6%)	80.3%	5.2%	1.0%	1.4x	NM		
Haynes International, Inc.	\$ 401	\$ 338	5.3%	118.0%	11.8%	3.2%	1.2x	200.7x		
Alcoa Corporation	\$ 11,484	\$ 11,204	32.8%	320.8%	22.3%	19.8%	1.1x	6.2x		
Steel Dynamics, Inc.	\$ 13,943	\$ 15,699	(1.9%)	104.3%	25.8%	22.3%	1.1x	6.0x		
Mueller Industries, Inc.	\$ 2,650	\$ 3,489	(5.1%)	51.9%	20.7%	15.6%	0.8x	6.0x		
Materion Corporation	\$ 1,510	\$ 1,352	(8.9%)	31.9%	17.9%	8.0%	1.1x	12.7x		
Mean	\$ 18,116	\$ 23,722	(3.6%)	107.6%	21.0%	18.2%	1.2x	19.0x		
Median	\$ 10,691	\$ 14,820	(8.1%)	90.7%	19.2%	15.7%	1.0x	6.3x		

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Public Comparable Companies (Cont'd)

Company Name	Enterprise Value (\$mils)	Revenue (\$mils)	Price Change		LTM Margins		TEV / LTM:		
			3 month	12 month	Gross	EBITDA	Revenue	EBITDA	
Lithium									
Albemarle Corporation	\$ 27,206	\$ 3,313	30.0%	145.3%	31.0%	24.4%	8.4x	27.8x	
Sociedad Química y Minera de Chile S.A.	\$ 15,417	\$ 2,292	13.5%	65.7%	29.7%	33.1%	7.4x	23.0x	
Ganfeng Lithium Co., Ltd.	\$ 34,300	\$ 1,348	34.8%	216.8%	34.0%	29.2%	30.7x	116.5x	
Tianqi Lithium Corporation	\$ 28,279	\$ 727	64.1%	438.4%	49.4%	44.8%	49.1x	124.3x	
Pilbara Minerals Limited	\$ 4,408	\$ 132	36.6%	537.4%	11.4%	1.9%	34.6x	289.0x	
Livent Corporation	\$ 3,763	\$ 380	19.4%	157.6%	17.6%	10.1%	10.8x	160.1x	
Orocobre Limited	\$ 4,150	\$ 85	29.8%	254.1%	55.8%	25.5%	50.7x	195.6x	
Savannah Resources Plc	\$ 77	\$ -	(1.0%)	101.2%	-	NA	0.0x	NM	
Piedmont Lithium Inc.	\$ 704	\$ -	(31.2%)	141.8%	-	NA	0.0x	NM	
Lithium Americas Corp.	\$ 2,346	\$ -	50.5%	97.0%	-	NA	0.0x	NM	
Mineral Resources Limited	\$ 5,940	\$ 2,799	(19.4%)	81.8%	88.7%	48.6%	2.2x	NM	
Mean	\$ 11,508	\$ 1,007	20.6%	203.4%	28.9%	27.2%	17.6x	133.8x	
Median	\$ 2,319	\$ 380	29.8%	145.3%	29.7%	27.3%	8.4x	124.3x	

Source: S&P Capital IQ

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GCG INDUSTRY UPDATE | Metals & Mining

Metals & Mining Expertise

GCG's Metals & Mining team has vast industry background and expertise formed by working with clients across nearly all aspects of the sector. Our professionals bring direct experience in senior operating roles within the industry to augment our investment banking and consulting services. With experience serving private and publicly traded Metals & Mining companies, GCG has a deep understanding of the trends and dynamics affecting this increasingly global industry.

More about Greenwich Capital Group

Greenwich Capital Group ("GCG") is a middle market focused advisory firm offering a range of investment banking and consulting services to private companies, public companies and private equity investors. For additional perspective or to discuss M&A related opportunities in the metals & mining sector, please reach out to GCG's metals & mining practice leader, Chris Lewis. For more information, please visit www.greenwichgp.com.



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Data Sources: We have based our findings on data provided by industry recognized sources. Data and information for this publication was collated from the S&P Capital IQ database. For more information on this or anything else related to our research, please email info@greenwichgp.com.

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