



INDUSTRY UPDATE

METALS & MINING
Q2 2022



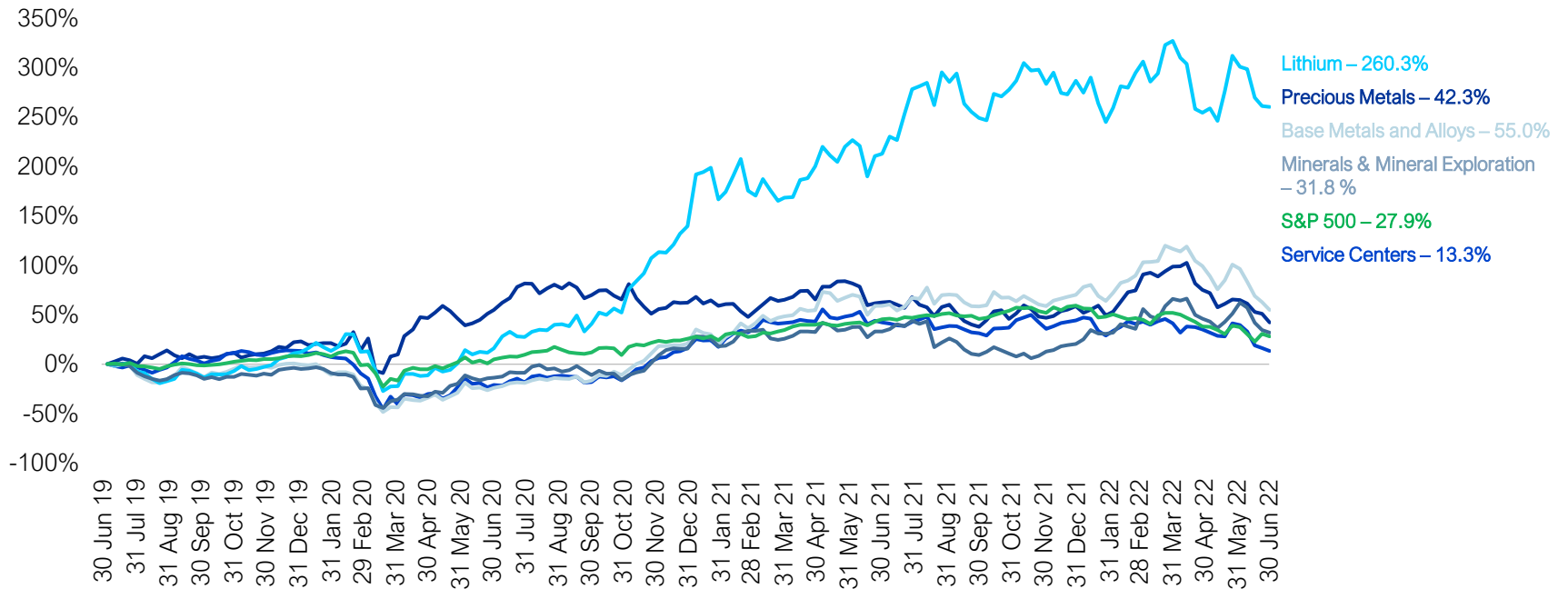
GREENWICH
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Public Market Performance

After several quarters of continued growth, public equities across most segments of the Metals & Mining industry slightly declined in Q2 2022 amid ongoing fears of recession and rising inflation. Although the industry experienced a decrease in the public market, the majority of public equities in the sector continue to outperform the S&P 500. Investors look at commodities like metals as hedges against inflation, and confidence in the Fed's policies to combat inflation along with further clarity surrounding the war in Ukraine have resulted in a normalization in the public market performance of Metals and Mining companies. As the world comes out of a shortage of commodities, the increased supply compared to lower demand has caused prices of metals to return to normal levels. Supply surplus paired with the Federal Reserve raising interest rates has led to investors predicting precious metals will stabilize and experience slight levels of growth for the remainder of 2022. Mining companies revised and improved their outlook for 2022 following a decline in uncertainty surrounding labor issues and supply chain problems. On a 3-year period ending in June 2022, the Lithium, Precious Metals, Base Metals and Alloys, and Minerals & Mineral exploration sectors (260.3%, 42.3%, 55.0%, and 31.8%, respectively) outpaced the S&P 500, which had a 27.9% return.

Metals & Mining Market Performance

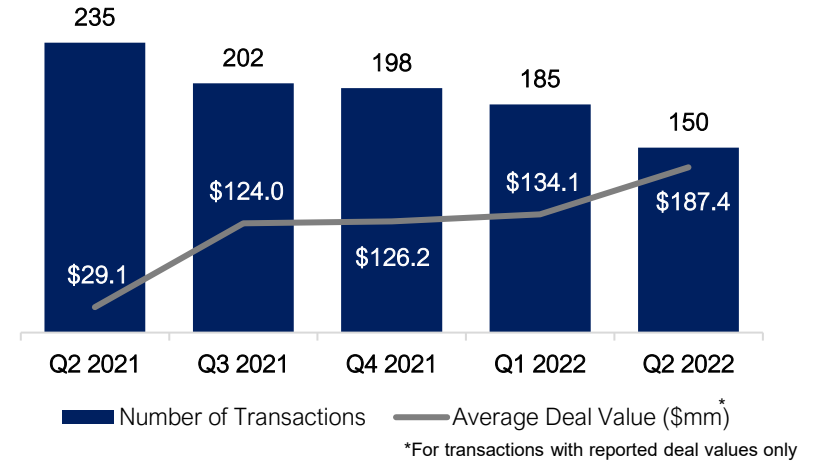


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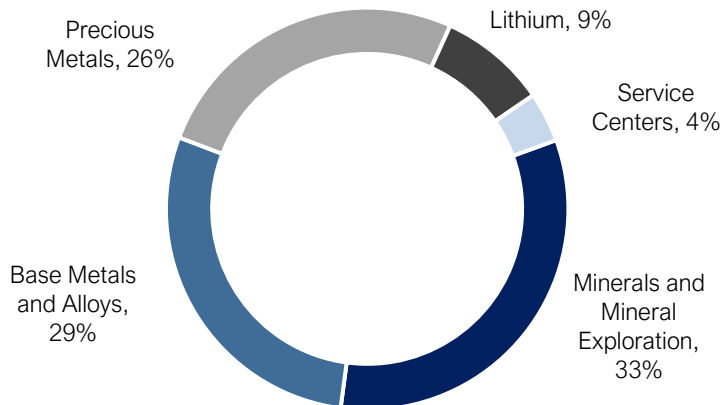
M&A Activity

The volume of M&A activity in the Metals & Mining industry decreased to 150 deals closed in Q2 2022, following the downward trend that was established in the second quarter of 2021. While volume has slightly decreased, average deal value (based on transactions with reported values only) increased to \$187.4M which is the highest average value for deals over the last year. Additionally, EBITDA multiples in the metals sector remain strong in the high single digits. The elevated deal value demonstrates the amount of dry powder that is currently available in the market and shows that buyers remain willing to pay a premium for high-quality targets. Private equity sponsors decreased their activity in the sector this quarter albeit by a small margin, while strategic buyers continue to be the primary acquirers in the industry. The Minerals and Mineral Exploration category led activity, accounting for 33% of total Metals & Mining transaction volume. The Base Metals and Alloys sector was the second most attractive in the industry with 29% of deal flow, closely followed by Precious Metals (26%).

Metals & Mining M&A Activity

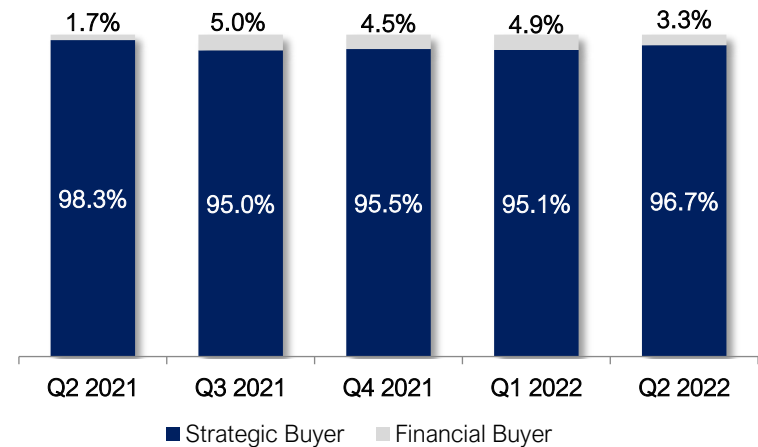


Q2 2022 M&A Activity by Sector



Source: S&P Capital IQ
 Note: All values based on publicly available data as of 6/30/2022

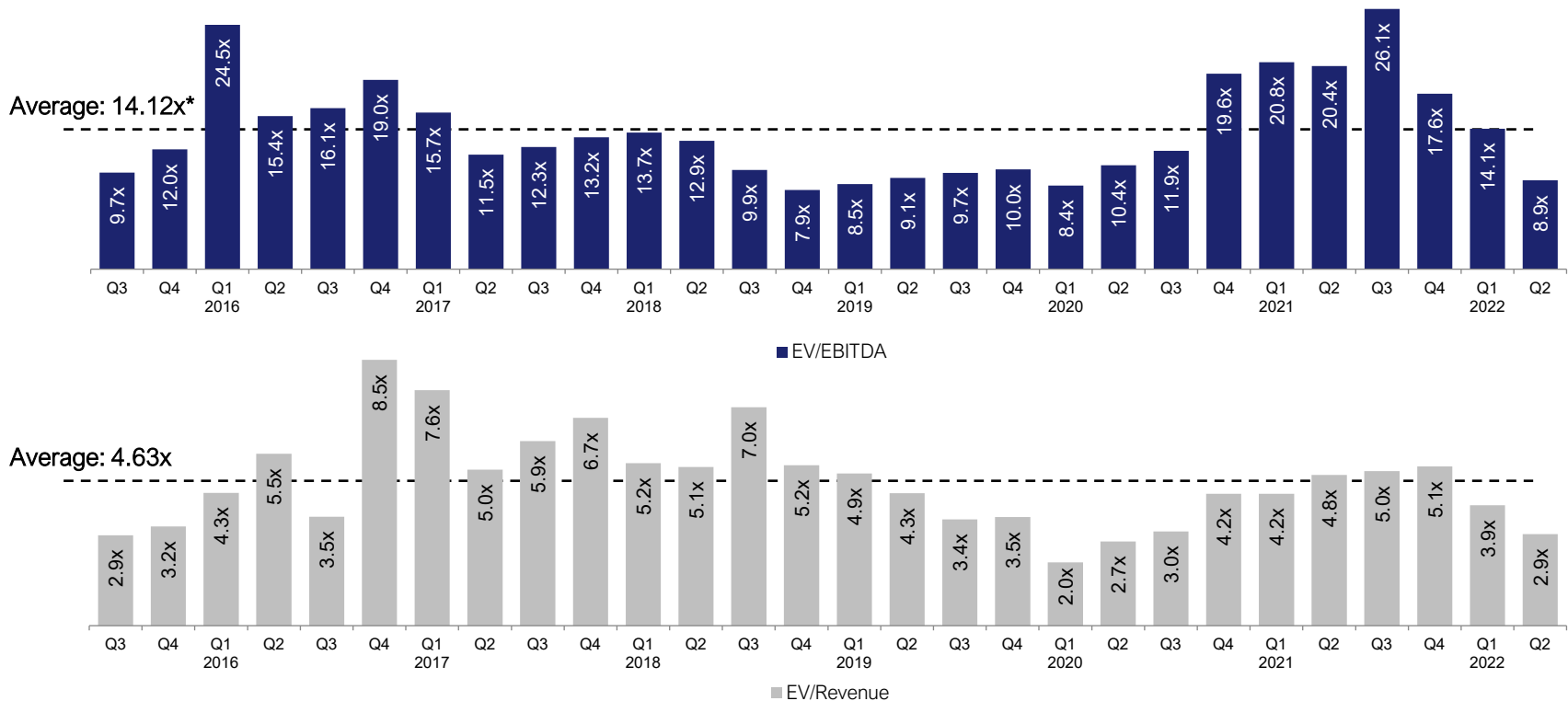
M&A Activity by Buyer Type



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Public Company Trading Multiples

Select publicly traded companies representing the key sectors across the Metals & Mining industry traded at an average multiple of 14.12x EBITDA and 4.63x Revenue. Trading multiples varied significantly across and within the five categories with the strongest multiples observed in the Precious Metals sector. Both global and domestic mineral producers and explorers had strong quarters with companies such as Hallador Energy, CONSOL Energy, and Alliance Resource Partners realizing gains of 68.4%, 24.1%, and 21.5% in their share price, respectively, as mining operations continue to ramp up production to pre-pandemic levels with a strengthening labor market.



Source: S&P Capital IQ

Note: All values based on publicly available data as of 6/30/2022

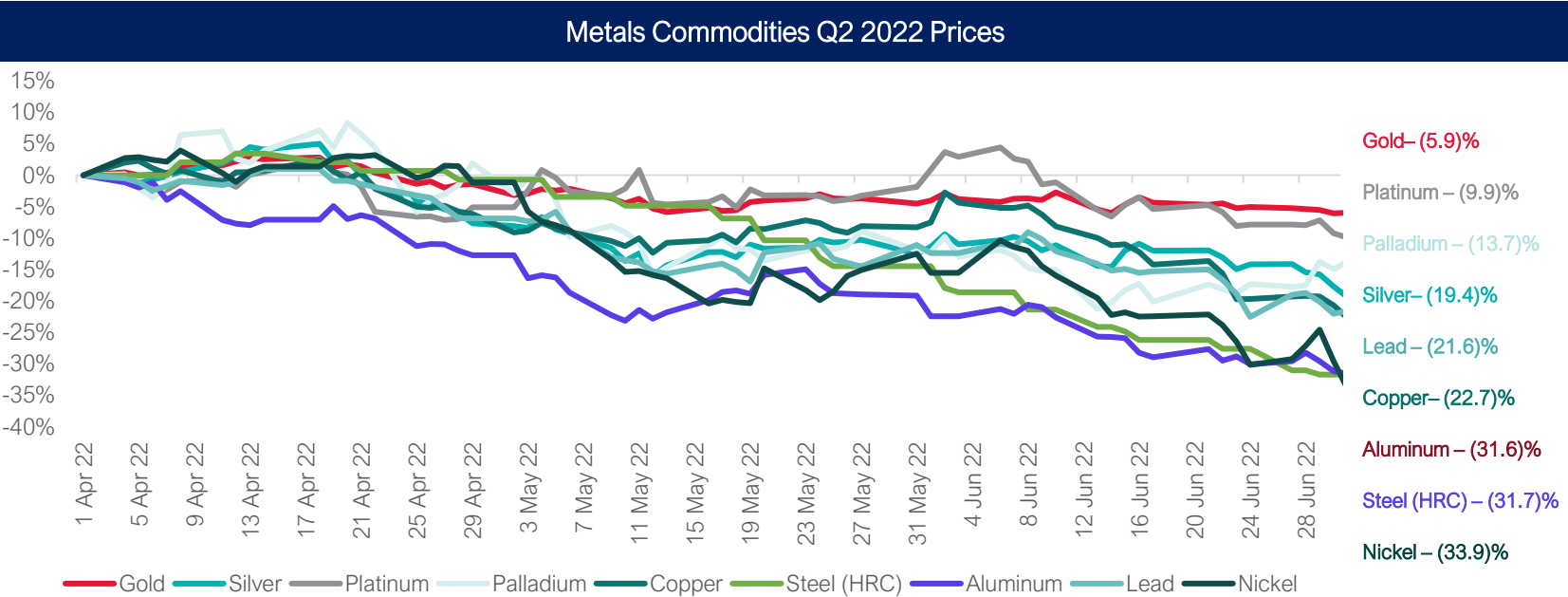
*Limited sample size does not support a meaningful conclusion



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Commodity Prices for Key Metals

Prices for most metals and commodities eased in Q2 2022 following sharp increases in the previous quarter. The reduction in uncertainty surrounding the Russia-Ukraine war and the Federal Reserve raising interest rates to combat inflation have been key factors in the return of commodity metals prices to normal levels. Gold prices decreased this quarter following a surge in global investor confidence, increased confidence in the Fed’s efforts in fighting surging inflation, as well as the resumed production of high-grade gold mining. Gold and silver prices decreased in the quarter due to anticipation surrounding the Fed’s interest rate increase, which investors view as a reason to move away from these haven assets. While demand for metals remains strong, consumer spending continues to decrease in the first half of 2022 due to rising inflation and fears of a recession, which has slightly affected pricing. The global metals industry is still working through issues related to supply chain constraints, but investors have been bullish about the industry’s recovery and the return of high-volume mining production across the globe. Furthermore, optimism around labor, revenue growth and business agility has particularly benefited market leaders, who have outperformed the rest of the sector in Q2 2022.



Source: S&P Capital IQ
 Note: All values based on publicly available data as of 6/30/2022



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Select M&A Transaction Activity

Announcement Date	Target Name	Buyer Name	Sector	Value (\$mm)	TEV/Rev	TEV/EBITDA
6/22/2022	GoProto Inc.	Re3dTech	Base Metals and Alloys	-	-	-
6/22/2022	Bearing Lithium Corp.	Lithium Power International Limited	Lithium	23.2	-	-
6/22/2022	Norra Metals Corp.	EMX Royalty Corporation	Minerals and Mineral Exploration	-	-	-
6/22/2022	QNB Metals Inc.	Analog Gold Inc.	Minerals and Mineral Exploration	38.6	-	-
6/20/2022	Baden Resources Inc.	Northstar Gaming Inc.	Minerals and Mineral Exploration	-	-	-
6/17/2022	Golden Horizon Exploration Corp.	Golden Spike Resources Corp.	Base Metals and Alloys	2.6	-	-
6/14/2022	BendTec Inc.	United Weld Holdings	Base Metals and Alloys	-	-	-
6/13/2022	Gold Standard Ventures Corp	Orla Mining Ltd.	Minerals and Mineral Exploration	238.1	-	-
6/3/2022	Fulton County Processing, LTD.	Heidtman Steel Products, Inc.	Service Centers	-	-	-
5/31/2022	Yamana Gold Inc.	Gold Fields Limited	Precious Metals	8,706.1	4.46x	8.23x
5/27/2022	CCX, Inc.	G.O. Carlson, Inc.	Base Metals and Alloys	-	-	-
5/24/2022	Orsu Metals Corporation	Invenir Ltd. & Skyfire Ltd.	Precious Metals	-	-	-
5/18/2022	Namibia Critical Metals Inc.	Bannerman Energy Ltd	Minerals and Mineral Exploration	8.9	-	-
5/2/2022	Nomad Royalty Company Ltd.	Sandstorm Gold Ltd.	Precious Metals	854.8	-	-
5/2/2022	Nemaska Lithium Inc.	Livent Corporation	Lithium	373.8	-	-
4/27/2022	Genesis Metals Corp.	Northern Superior Resources Inc.	Precious Metals	10.1	-	-
4/20/2022	Huntington Aluminum, Inc.	Metal Source, Llc	Base Metals and Alloys	-	-	-
4/19/2022	Ultra Lithium Inc.	Sichuan Yahua Industrial Group Co., Ltd.	Lithium	5.0	-	-

Source: S&P Capital IQ

Note: All values based on publicly available data as of 6/30/2022



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Public Comparable Companies

<u>Company Name</u>	<u>Enterprise</u>	<u>Revenue</u>	<u>Price Change</u>		<u>LTM Margins</u>		<u>TEV / LTM:</u>		
	<u>Value (\$mils)</u>	<u>(\$mils)</u>	<u>3 month</u>	<u>12 month</u>	<u>Gross</u>	<u>EBITDA</u>	<u>Revenue</u>	<u>EBITDA</u>	
Precious Metals									
Anglo American Platinum Limited	\$ 18,875	\$ 11,766	(39.6%)	(28.6%)	44.4%	46.0%	1.4x	2.8x	
Golden Minerals Company	\$ 48	\$ 31	(27.6%)	(40.7%)	47.5%	11.5%	1.5x	12.6x	
Agnico Eagle Mines Limited	\$ 22,220	\$ 4,796	(25.1%)	(21.6%)	57.4%	47.5%	5.3x	11.1x	
Wheaton Precious Metals Corp.	\$ 15,860	\$ 1,185	(26.5%)	(18.4%)	76.4%	70.7%	13.8x	19.6x	
Eldorado Gold Corporation	\$ 1,240	\$ 891	(44.9%)	(35.9%)	46.5%	38.7%	1.4x	3.5x	
Pan American Silver Corp.	\$ 3,877	\$ 1,705	(30.3%)	(31.3%)	36.5%	32.8%	2.4x	6.5x	
Fresnillo plc	\$ 6,915	\$ 2,703	(6.5%)	(16.9%)	34.8%	43.8%	2.9x	6.5x	
Newmont Corporation	\$ 50,241	\$ 12,366	(26.1%)	(2.7%)	36.6%	32.7%	4.1x	10.9x	
Barrick Gold Corporation	\$ 38,747	\$ 11,882	(29.4%)	(14.6%)	40.2%	52.4%	3.4x	6.0x	
Coeur Mining, Inc.	\$ 1,302	\$ 819	(34.1%)	(65.2%)	29.4%	21.2%	1.6x	6.6x	
Mean	\$ 15,932	\$ 4,814	(29.0%)	(27.6%)	45.0%	39.7%	3.8x	8.6x	
Median	\$ 11,387	\$ 2,204	(28.5%)	(25.1%)	42.3%	41.3%	2.6x	6.6x	

Source: S&P Capital IQ

Note: All values based on publicly available data as of 6/30/2022



GCG Metals & Mining Update | Q2 2022

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	
Service Centers									
Russel Metals Inc.	\$ 1,474	\$ 3,734	(21.9%)	(26.1%)	26.4%	14.2%	0.4x	2.8x	
DXP Enterprises, Inc.	\$ 922	\$ 1,188	13.6%	(8.0%)	29.6%	6.9%	0.8x	8.6x	
Reliance Steel & Aluminum Co.	\$ 11,919	\$ 15,741	(7.4%)	11.9%	31.4%	16.2%	0.8x	4.5x	
Ryerson Holding Corporation	\$ 1,571	\$ 6,277	(38.0%)	47.3%	21.7%	11.2%	0.3x	2.1x	
Schnitzer Steel Industries, Inc.	\$ 1,325	\$ 3,437	(37.7%)	(34.5%)	14.4%	8.3%	0.4x	4.1x	
Worthington Industries, Inc.	\$ 3,073	\$ 5,242	(13.8%)	(28.3%)	13.6%	7.9%	0.6x	4.8x	
thyssenkrupp AG	\$ 1,456	\$ 41,922	(35.9%)	(47.7%)	14.5%	6.0%	0.0x	0.6x	
Klöckner & Co SE	\$ 1,804	\$ 9,281	(45.5%)	(46.3%)	23.8%	10.2%	0.2x	1.9x	
Toyota Tsusho Corporation	\$ 21,277	\$ 66,110	(21.7%)	(30.8%)	9.5%	5.1%	0.4x	6.7x	
Olympic Steel, Inc.	\$ 621	\$ 2,545	(28.8%)	(14.8%)	21.3%	8.4%	0.2x	2.7x	
Mean	\$ 4,544	\$ 15,548	(23.7%)	(17.8%)	20.6%	9.4%	0.4x	3.9x	
Median	\$ 1,522	\$ 5,760	(25.4%)	(27.2%)	21.5%	8.4%	0.4x	3.4x	

Source: S&P Capital IQ

Note: All values based on publicly available data as of 6/30/2022



GCG Metals & Mining Update | Q2 2022

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									
United States Steel Corporation	\$ 6,055	\$ 21,845	(52.7%)	(25.6%)	30.4%	28.5%	0.3x	1.0x	
Nucor Corporation	\$ 31,830	\$ 39,960	(29.2%)	9.3%	32.2%	29.6%	0.8x	2.7x	
Commercial Metals Company	\$ 5,339	\$ 8,537	(18.5%)	8.6%	19.8%	15.8%	0.6x	3.8x	
ATI Inc.	\$ 4,416	\$ 2,941	(17.3%)	5.4%	14.2%	11.3%	1.5x	12.3x	
Carpenter Technology Corporation	\$ 1,974	\$ 1,694	(36.8%)	(32.1%)	6.5%	4.6%	1.2x	21.8x	
Haynes International, Inc.	\$ 413	\$ 400	(34.4%)	(9.8%)	17.9%	10.4%	1.0x	9.5x	
Materion Corporation	\$ 2,042	\$ 1,605	(17.1%)	(4.8%)	18.2%	8.8%	1.3x	13.3x	
Hyundai Steel Company	\$ 11,398	\$ 20,500	(24.4%)	(46.4%)	15.8%	17.8%	0.6x	3.4x	
Voestalpine AG	\$ 7,533	\$ 16,578	(28.5%)	(48.5%)	22.5%	14.7%	0.5x	3.3x	
Glencore plc	\$ 91,970	\$ 2,03,751	(22.9%)	19.9%	6.1%	7.9%	0.5x	5.4x	
HBIS Group Co., Ltd.	\$ -	\$ 65,683	-	-	9.4%	8.0%	0.0x	0.0x	
POSCO Holdings Inc.	\$ 21,470	\$ 67,177	(24.3%)	(41.2%)	15.5%	16.6%	0.3x	1.9x	
Ternium S.A.	\$ 7,597	\$ 17,146	(23.4%)	(6.9%)	37.3%	34.7%	0.4x	1.2x	
Southern Copper Corporation	\$ 42,995	\$ 11,165	(35.9%)	(20.7%)	65.1%	62.6%	3.9x	6.1x	
Steel Dynamics, Inc.	\$ 14,400	\$ 20,434	(22.1%)	8.7%	31.0%	27.2%	0.7x	2.6x	
Mueller Industries, Inc.	\$ 2,952	\$ 4,099	(3.5%)	23.2%	25.9%	21.3%	0.7x	3.8x	
Cleveland-Cliffs Inc.	\$ 13,532	\$ 22,350	(51.3%)	(28.6%)	24.9%	28.1%	0.6x	2.1x	
Universal Stainless & Alloy Products, Inc.	\$ 144	\$ 166	(18.1%)	(31.5%)	11.0%	9.4%	0.9x	9.1x	
Alcoa Corporation	\$ 10,206	\$ 12,575	(50.6%)	21.2%	28.5%	26.1%	0.8x	2.9x	
Synalloy Corporation	\$ 248	\$ 381	(13.8%)	36.4%	19.6%	14.0%	0.7x	4.3x	
Mean	\$ 13,826	\$ 26,949	(27.6%)	(8.6%)	22.6%	19.9%	0.9x	5.5x	
Median	\$ 6,794	\$ 14,576	(24.3%)	(6.9%)	19.7%	16.2%	0.7x	3.6x	

Source: S&P Capital IQ

Note: All values based on publicly available data as of 6/30/2022



GCG Metals & Mining Update | Q2 2022

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	\$ 26,412	\$ 3,626	(8.8%)	19.3%	32.9%	25.9%	7.3x	23.1x	
Sociedad Química y Minera de Chile S.A.	\$ 23,601	\$ 4,354	(4.6%)	78.6%	48.7%	49.2%	5.4x	10.9x	
Ganfeng Lithium Co., Ltd.	\$ 32,316	\$ 2,353	16.0%	26.4%	50.4%	43.9%	14.5x	33.0x	
Tianqi Lithium Corporation	\$ 32,637	\$ 1,895	53.1%	101.9%	73.2%	71.3%	18.2x	25.4x	
Pilbara Minerals Limited	\$ 4,541	\$ 297	(40.9%)	39.9%	43.4%	37.0%	16.4x	39.6x	
Livent Corporation	\$ 4,150	\$ 472	(19.3%)	12.3%	29.7%	23.6%	8.8x	38.7x	
Allkem Limited	\$ 4,425	\$ 241	(25.1%)	44.7%	64.4%	44.4%	19.7x	44.1x	
Savannah Resources Plc	\$ 55	\$ -	(30.5%)	(20.6%)	-	NA	0.0x	NM	
Piedmont Lithium Inc.	\$ 484	\$ -	(52.9%)	(54.8%)	-	NA	0.0x	NM	
Lithium Americas Corp.	\$ 2,507	\$ -	(48.5%)	35.4%	-	NA	0.0x	NM	
Mineral Resources Limited	\$ 6,335	\$ 2,586	(23.2%)	(21.2%)	88.8%	33.9%	2.6x	7.3x	
Mean	\$ 12,497	\$ 1,439	(16.8%)	23.8%	39.2%	41.2%	8.4x	27.8x	
Median	\$ 4,541	\$ 472	(23.2%)	26.4%	43.4%	40.5%	7.3x	29.2x	

Source: S&P Capital IQ

Note: All values based on publicly available data as of 6/30/2022



GCG Metals & Mining Update | Q2 2022

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	
Minerals and Mineral Exploration									
CONSOL Energy Inc.	\$ 2,094	\$ 1,475	24.1%	164.3%	39.5%	16.4%	1.4x	7.9x	
Arch Resources, Inc.	\$ 2,620	\$ 2,684	2.0%	148.8%	35.0%	31.0%	1.0x	3.1x	
Peabody Energy Corporation	\$ 3,385	\$ 3,358	(19.1%)	156.9%	20.5%	16.5%	1.0x	4.7x	
Alliance Resource Partners, L.P.	\$ 2,713	\$ 1,712	21.5%	158.0%	35.6%	31.1%	1.6x	5.0x	
Warrior Met Coal, Inc.	\$ 1,478	\$ 1,237	(21.7%)	71.1%	54.5%	47.3%	1.2x	2.5x	
Beijing Haohua Energy Resource Co., Ltd.	\$ 2,819	\$ 1,379	(14.9%)	100.0%	64.6%	53.7%	2.2x	4.0x	
Whitehaven Coal Limited	\$ 3,265	\$ 1,678	1.6%	118.2%	51.4%	49.2%	2.1x	3.9x	
Hallador Energy Company	\$ 306	\$ 260	68.4%	115.2%	15.6%	10.9%	1.2x	10.6x	
BHP Group Limited	\$ 1,48,237	\$ 67,879	(30.8%)	(24.5%)	85.2%	59.3%	2.3x	3.9x	
Mean	\$ 18,546	\$ 9,073	3.5%	112.0%	44.7%	35.0%	1.5x	5.1x	
Median	\$ 2,713	\$ 1,678	1.6%	118.2%	39.5%	31.1%	1.4x	4.0x	
Metals & Mining Mean	\$ 13,098	\$ 14,020	(20.4%)	11.1%	32.5%	27.1%	1.5x	5.7x	
Metals & Mining Median	\$ 4,013	\$ 3,150	(24.3%)	(8.0%)	29.6%	23.6%	0.9x	4.1x	

Source: S&P Capital IQ

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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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