



Mining M&A Newsletter

First half of 2018

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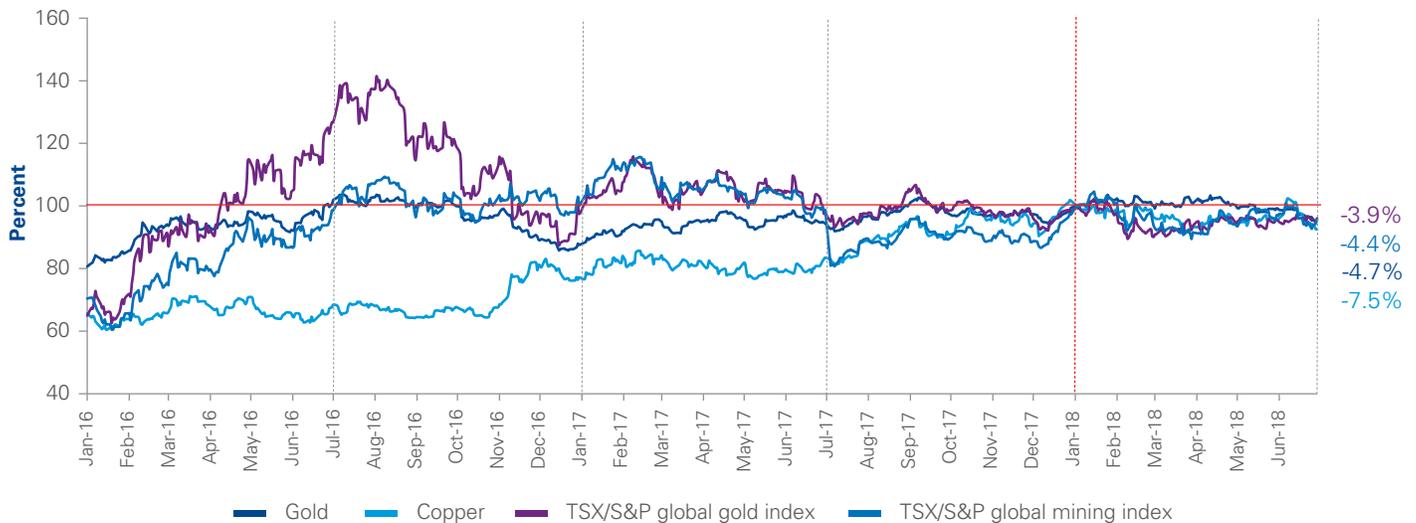
Mining industry enters a period of sustained market stability

The first half (H1) of 2018 witnessed the first period of relative stabilization in price volatility since the commodity market fell approximately 35% between June 2014 and February 2015.¹ The price of bellwether commodities declined, but remain stable.

While copper declined approximately 7.5% through the half, it remains well above the 2016 lows. Gold declined 4.7%, primarily in the latter portion of H1, but has stayed fairly stable over the past year when compared to its historical volatility. Indeed, institutional and retailer investors continue to regain confidence in the industry, and the improved price stability and relatively moderate decline in mining equities during H1 2018 may point to a recovery, replacing volatility with moderate growth looking forward. However, against a backdrop of political and geopolitical uncertainty and concerns over global trade tensions, stabilization will take some time.

In general, speculative price rallies have been short-lived and prices remained stable during H1 2018. The TSX/S&P global mining index and the TSX/S&P global gold index declined 4.4% and 3.9%. Over the same period, the MSCI All World Index fell 0.67% and the S&P 500 edged downward by 0.83%.² This considered, during a time that global stock markets have receded slightly, mining equities have underperformed compared to the overall market.

Equity indices vs. gold and copper spot price



Source: Capital IQ

* All prices in US dollars unless otherwise stated

¹ KPMG market research and analysis

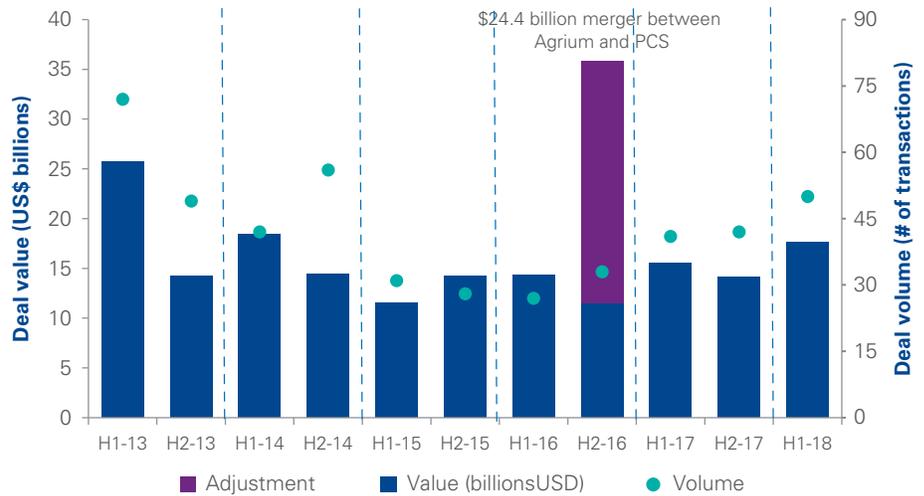
² Capital IQ

M&A activity continues its slow recovery, shows diversity

The number of transactions over \$50 million in the mining sector have increased each period since H1 2016, with 50 deals completed this period compared to 27 at this time two years ago. This momentum could be a sign that the recovery is continuing and companies are now looking to replenish depleted reserves through strategic acquisitions while mining equity prices are still relatively low. Of the 50 deals exceeding \$50 million during H1 2018, the average deal size of \$352 million is only a slight increase from the last half, and below the long term average of \$380 million since 2013 and the high of \$540 million recorded in H1 2015.³

Transaction activity was quite diversified across various commodities during H1 2018. Coal, copper and gold continue to be the usual suspects in M&A activity as major global commodities with large-scale operating assets require large investments in a low-cost environment. However, lithium, a relative newcomer as a major M&A commodity, was the top commodity by transaction value this half, capturing 25% of total transaction value. The rise in both the popularity and feasibility of electric vehicles and energy storage has driven increased demand for lithium, and is expected to continue to increase as companies try to position themselves in these growing markets. As more producing companies enter the market to meet global demand and gain exposure to the currently attractive prices, we will continue to track how this market matures.⁴

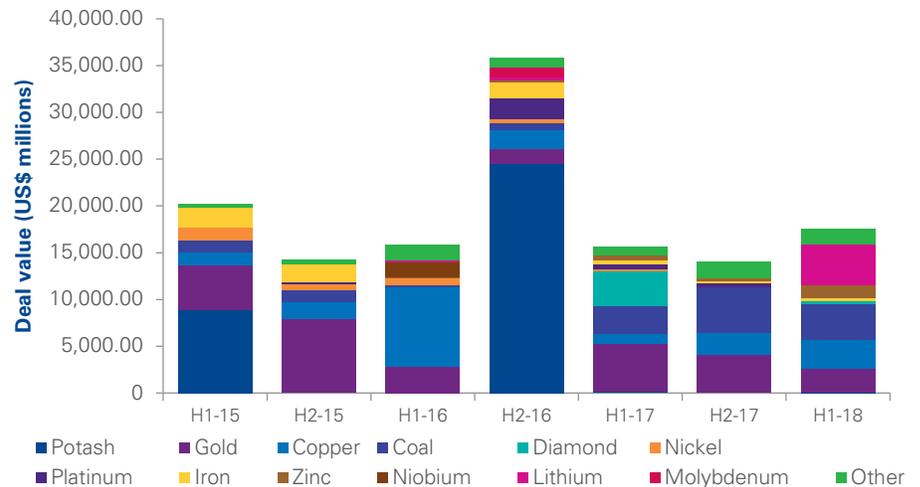
Global mining M&A deal value and volume trends



Source: Thomson, Capital IQ and KPMG in Canada analysis

* Represents transactions above US\$50 million
 * Only includes announced transactions; excludes capital raising and share buy-backs

Global mining M&A deal value by commodity



Source: Thomson, Capital IQ and KPMG in Canada analysis

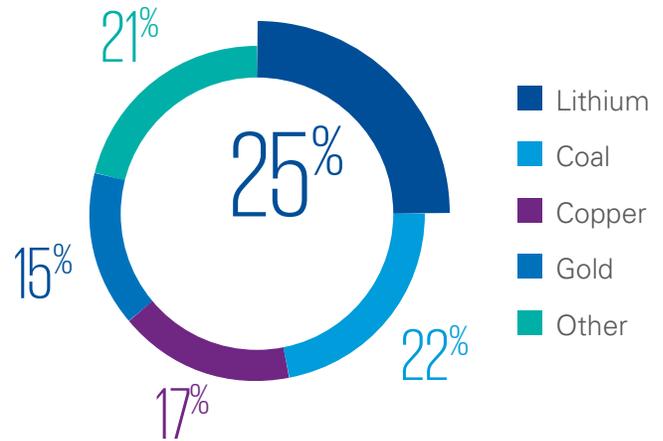
* Represents transactions above US\$50 million
 * Only includes announced transactions; excludes capital raising and share buy-backs

³ KPMG market research and analysis

⁴ S&P Global, February 7, 2017, <https://www.spglobal.com/platts/en/market-insights/latest-news/metals/020717-battery-demand-to-drive-lithium-cobalt-market-for-years-ahead-panel>

Lithium was closely followed by coal and copper, capturing 22% and 17% of total transaction value. A global transition away from coal seems apparent as companies worldwide make large divestitures. Gold companies also remained fairly active this half – accounting for 15%, or approximately \$2.4 billion, of total transaction value – but total investment value has declined noticeably when compared to its 29%, or \$4.1 billion, share of market activity last half.

Global mining M&A deal value by commodity



Source: Thomson, Capital IQ and KPMG in Canada analysis

* Represents transactions above US\$50 million

* Only includes announced transactions; excludes capital raising and share buy-backs



Market trends

H1 2018 highlights:

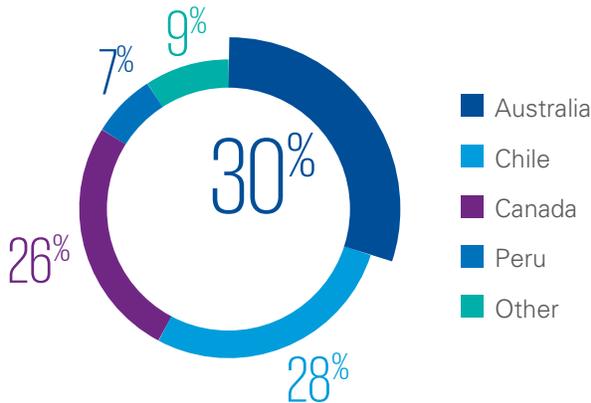
- Global deal volume (for transactions over \$50 million) has been trending upward over the past two years, with Australia, North America and South America seeing their highest deal volume since 2014.
- M&A activity continues to be skewed towards exploration and development (E&D) stage assets.
- Total transaction value reached its highest level since 2014, with four transactions over \$1 billion, including a major \$4.1 billion lithium transaction.

Mining M&A activity is affected by considerations of geographic location and development stage of the asset. We have analyzed market trends by cross-referencing deal value and volume with the location and development stage of the acquired assets.

For the purposes of this analysis, transactions by location considers all transactions with a deal value greater than \$50 million. Transactions by asset stage uses a lower deal value threshold of \$5 million, or greater, in order to more accurately capture the different transaction values across the stages of the asset lifecycle (i.e. exploration, development, production).

H1 2018 saw a substantial increase in value invested in South American and Australasian assets, increasing 533% and 282% in those jurisdictions over the previous half (for transactions >\$50 million). This trend was largely driven by a large lithium transaction in Chile and multiple coal transactions in Australasia.⁵

% Deal value by target country

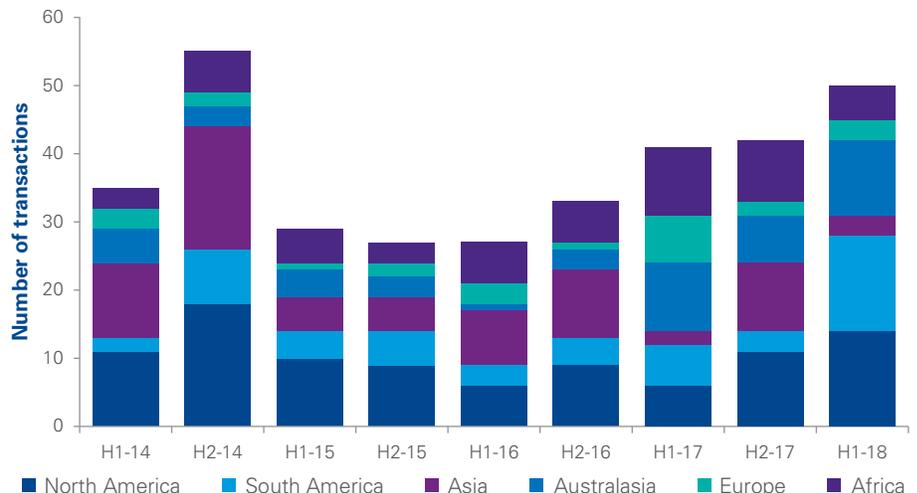


Source: Thomson, Capital IQ and KPMG in Canada analysis

* Represents transactions above US\$50 million

* Only includes announced transactions; excludes capital raising and share buy-backs

Deal volume by location



Source: Thomson, Capital IQ and KPMG in Canada analysis

* Represents transactions above US\$50 million

* Only includes announced transactions; excludes capital raising and share buy-backs

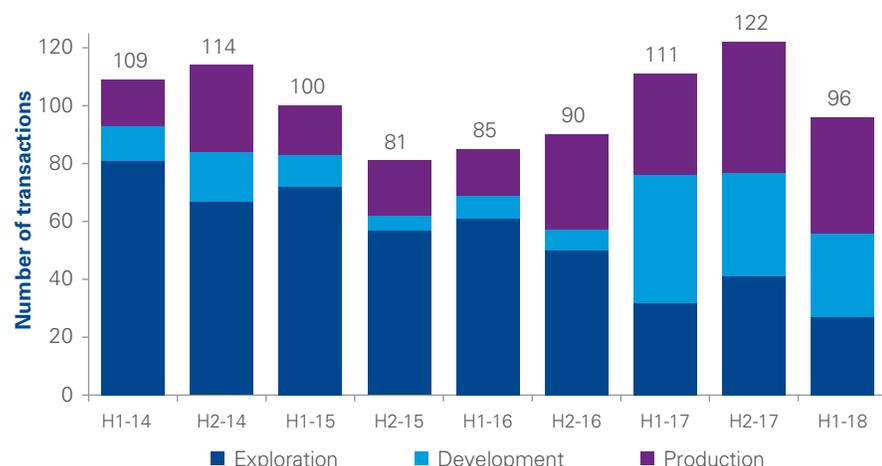
⁵ KPMG market research and analysis

Overall, Australia was the leading jurisdiction this half as both the top acquirer and top target nation (by company location). In fact, the total deal value of M&A activity in Australia alone in H1 2018 encompassed \$5.2 billion in acquisition value and \$4.6 billion in target value. This was heavily influenced by large coal transactions made by Rio Tinto. In addition, H1 2018 saw the highest levels of deal activity (for transactions >\$50 million) in both North and South America since H2 2014, predominantly attributable to activity in Canada and Chile.

Global mining companies have a view to the future focused on E&D assets. Indeed, this has been the trend over the past several periods as companies have been concerned about future production and replenishing reserves. More than half of the transactions this half (56 of 96) were for E&D phase assets (for transactions >\$5 million). However, as expected, differences emerge when comparing transactions by deal value, as production stage assets account for 70% of the total transaction value this half. Companies are willing to pay a premium for “de-risked” assets that are already at the production stage and providing immediate cash flow.⁶

When considering transactions by asset stage (for transactions >\$5 million), total volume was in line with historical averages since 2014. There was less market activity this half in the \$5 to \$50 million range, as reflected by declining M&A activity for E&D assets as compared to last half. Specifically, there were 96 mining transactions exceeding \$5 million during H1 2018, which is only slightly below the four-year historical average of 102 transactions per half. This quantity, however, still lags behind the high of 122 total transactions in H2 2017. Lower volume was, indeed, significantly influenced by a decrease in exploration deal volume. Overall, the average deal value for exploration, development and production phase assets in H1 2018 was \$36 million, \$162 million and \$319 million, respectively.⁷

Deal volume by asset stage



Source: Thomson, Capital IQ and KPMG in Canada analysis

* Represents transactions above US\$5 million

* Only includes announced transactions; excludes capital raising and share buy-backs

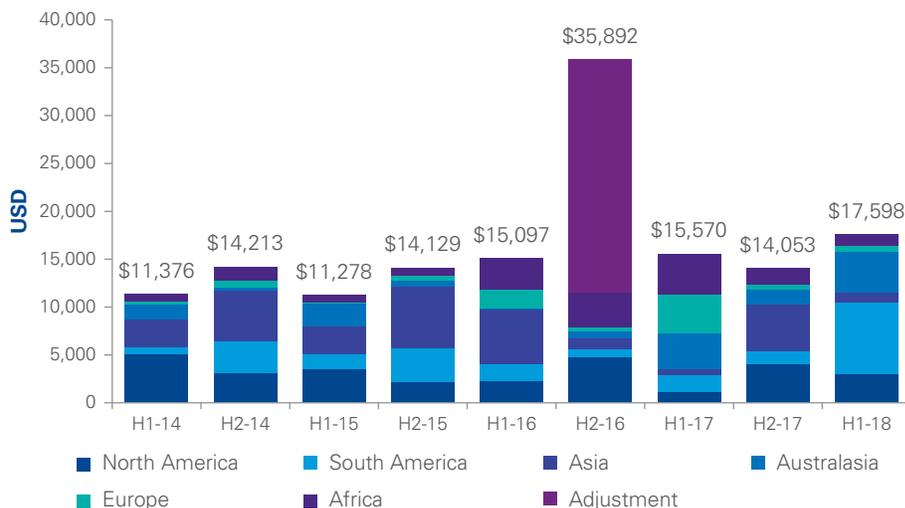
⁶ KPMG market research and analysis

⁷ KPMG market research and analysis

Global transaction value hits four-year high

Save for the outlier \$24.4 billion merger of PotashCorp and Agrium in H2 2016, H1 2018 saw a four-year high in total transaction value of \$17.6 billion. While there was an increase in the total volume of transactions in North America this half, total transaction value in this jurisdiction was lower than H2 2017. Contrarily, the increase in transaction volume in South America also coincided with a significant increase in total transaction value, which may indicate that South America is emerging as the current sought-after mining jurisdiction. Further, the average investment value in North American assets was \$203 million, while average investment in South American assets was significantly higher at \$589 million. Of course, these figures are heavily influenced by the large \$4.1 billion lithium transactions in South America this half.⁸

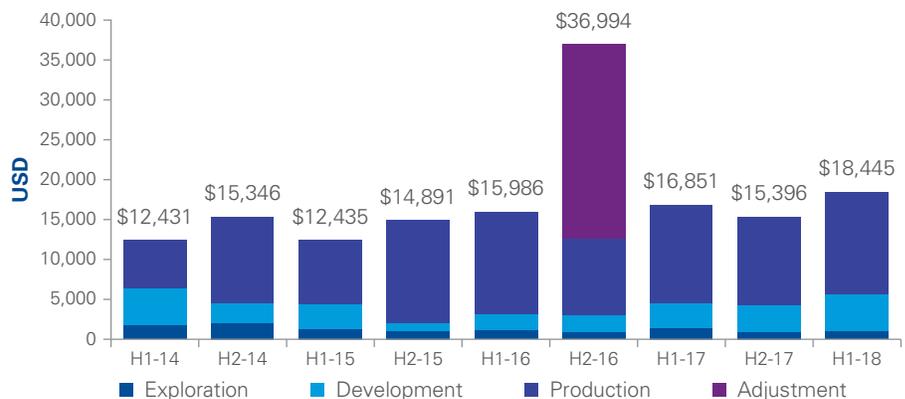
Deal value by location



Source: Thomson, Capital IQ and KPMG in Canada analysis

* Represents transactions above US\$50 million
 * Only includes announced transactions; excludes capital raising and share buy-backs

Deal value by asset stage



Source: Thomson, Capital IQ and KPMG in Canada analysis

* Represents transactions above US\$50 million
 * Only includes announced transactions; excludes capital raising and share buy-backs

⁸ KPMG market research and analysis

Market activity – H1 2018 top 10 deals

The first half of 2018 saw a large number of high-value acquisitions compared to recent years, with four transactions exceeding the \$1 billion mark for total transaction value.

H1 2018 transactions – Top 10 global deals (millions USD)						
Announced Date	Target/Issuer	Buyers/Investors	Consideration	Commodity	Asset Location	Asset Stage
May 17	Sociedad Química y Minera de Chile S.A.	Tianqi Lithium Corporation	\$4,100	Lithium, Nitrogen and Phosphate	South America	Production
Mar 27	Rio Tinto Ltd. (Kestrel Mine)	EMR Capital Advisors; PT Adaro Energy	\$1,750	Coal	Australasia	Production
Mar 20	Queensland Coal Pty Ltd. (Hail Creek Mine)	Glencore PLC	\$1,549	Coal	Australasia	Production
Jun 18	Arizona Mining Inc.	South32 Ltd.	\$1,300	Zinc and Lead	North America	Development
Mar 05	Huangshan Zhongtian Weiliang	Huan Hsin Holdings Ltd.	\$780	Vanadium	Asia	Production
Jun 14	Anglo American (Quellaveco Project)	Mitsubishi Corporation	\$600	Copper	South America	Development
Jun 11	Ivanhoe Mines Ltd. (Kamoa-Kakula, Platreef, Kipushi Mines)	Citic Metal Company Ltd.	\$560	Copper, Platinum and Nickel	Africa	Development
Mar 19	Klondex Mines Ltd.	Hecla Mining Company	\$490	Gold, Silver, Zinc and Lead	North America	Production
Feb 20	Government of Peru (Michiquillay Project)	Southern Copper Corporation	\$400	Copper	South America	Development
Jun 19	BHP Billiton Ltd. (Cerro Colorado Mine)	EMR Capital Advisors Pty Ltd	\$320	Copper	South America	Production

Source: Thomson, Capital IQ and KPMG in Canada analysis

With the exception of single deals in Africa and Asia, the top deal activity in H1 2018 was otherwise broadly distributed across South America, North America and Australia. Similar to previous years, production assets dominated the list of top ten transactions, but three development stage projects for copper and one development stage project for zinc did make it on to the list this half.

The top transactions of H1 2018 were well distributed in terms of commodities. Two of the top three deals were represented by coal, while lithium, copper and zinc were also well represented. This half saw significant divestitures in coal, which is most likely underpinned by uncertainty over the commodity's future. As renewable energy continues to gain in popularity, investors are now faced with the decision to divest or invest based on their best bets for coal's future.⁹

⁹ KPMG market research and analysis

China spending big on lithium

The largest transaction of the period was Nutrien's \$4.1 billion sale of a 24% stake in Chilean lithium producer Sociedad Quimica y Minera de Chile ("SQM") to China's Tianqi Lithium Corporation. SQM is one of the largest lithium producers globally, and the transaction appears to be a strategic move for the China-based company to secure access to lithium as its consumption in automobile and battery manufacturing rises. Nutrien is required to sell its remaining ownership of SQM – reportedly worth over \$1 billion – by mid-2019 to satisfy regulatory conditions of the PotashCorp-Agrium merger.¹⁰

This massive transaction in the lithium sector held first place on our list of top 10 deals this half. Prior to H1 2018, lithium transactions have been minimal, but this could be an early sign of an increased activity in the future as global demand is expected to rise further. Demand for commodities such as lithium, graphite, cobalt, nickel and copper is predicted to sharply increase, driven by the growing use of electric vehicles and energy battery storage.¹¹

Coal continues to be active

The second and third largest transactions of H1 2018 were acquisitions of Australian coal assets, both formerly

owned by Rio Tinto. A pair of investors, PT Adaro Energy and EMR Capital Advisors, entered into a \$1.8 billion agreement to acquire 80% ownership of the Kestrel underground coking mine in Australia.¹² In 2017, the Kestrel Mine produced 5.1 million tonnes of saleable coal and generated an EBITDA of \$341 million.¹³ Adaro Energy's strategy is to increase their metallurgic coal portfolio through the acquisition.¹⁴

In another top ten Australian coal deal, Glencore PLC invested \$1.6 billion to acquire Rio Tinto's 82% ownership of the Hail Creek coal mine and 71% interest in the Valeria coal resource. Hail Creek produces two-thirds premium quality hard coking coal and one-third thermal coal. In 2017, the mine produced approximately 9.4 million tonnes of coal for export, and Rio Tinto's attributable share of EBITDA at Hail Creek was reported at \$408 million.¹⁵

Although not included in H1 2018's top ten transactions, Rio Tinto also announced the \$200 million sale of the Winchester South JV to Whitehaven Coal – their final and smallest transaction – rounding out their total \$4.15 billion divestment of coal assets. The sale of ownership in the Hail Creek, Valeria, Kestrel and Winchester South coal resources mark Rio Tinto's full exit from the coal sector. After announcing their planned exit from the sector last year, Rio Tinto executives stand by their

statement that the move away from coal was not due to environmental reasons, but instead to re-allocate capital to increasingly profitable investments in iron, copper, aluminum and bauxite.¹⁶

Four copper transactions in the top ten deals

Despite a 7.5% decline in H1 2018, copper prices have not been quite as volatile as they were just a few years ago.¹⁷ Market speculators and researchers still debate the supply and demand equilibrium for the commodity. At the end of the half, copper prices were hovering around \$3 per pound, a level which would be prohibitive to high cost producers on the cost curve.¹⁸

In the largest copper transaction of the half, Japan's Mitsubishi Corporation entered into a \$600 million agreement with Anglo American to increase its interest in the company's Quellaveco Copper development project in Peru.¹⁹ Mitsubishi's current 18.1% interest in the asset will increase to 40% after the transaction closes, and the transaction value implies a \$2.7 billion total valuation for the Quellaveco asset.²⁰

At \$560 million, the second largest transaction was CITIC Metal Company's acquisition of Ivanhoe Mines. CITIC, a Chinese state-owned firm, is set to acquire a 19.9% stake in the

¹⁰The Global and Mail, May 17, 2018, <https://www.theglobeandmail.com/business/industry-news/energy-and-resources/article-nutrien-sells-shares-in-chilean-lithium-company-in-41-billion-deal/>

¹¹Investing News, September 15, 2017, <https://investingnews.com/daily/resource-investing/critical-metals-investing/cobalt-investing/cobalt-demand-forecast/>

¹²Financial Review, March 28, 2018, <https://www.afr.com/business/mining/coal/rio-sells-kestrel-coal-mine-for-us225b-to-emr-capital-adaro-energy-20180327-h0y1s5>

¹³Rio Tinto, March 27, 2018, Press Release, http://www.riotinto.com/documents/180327_Rio_Tinto_agrees_sale_of_Kestrel_mine_to_EMR_and_Adaro_for_2.25_billion.pdf

¹⁴Adaro Energy, April 24, 2018, <http://www.adaro.com/pages/read/6/19/Letter%20from%20the%20Directors>

¹⁵Glencore, March 20, 2018, <http://www.glencore.com/dam/jcr:b72eabc9-b0df-44c9-ad3c-ec37309378d2/201803200830-Glencore-To-Acquire-Hail-Creek-Coal-Mine-in-Queensland.pdf>

¹⁶Reuters, March 22, 2018, <https://www.reuters.com/article/us-rio-tinto-divestiture-whitehaven-coal/rio-tinto-to-sell-queensland-asset-to-whitehaven-for-200-million-idUSKBN1GY0TR>

¹⁷KPMG market research and analysis

¹⁸London Metals Exchange, 2018

¹⁹Investing News, June 14, 2018, <https://investingnews.com/daily/resource-investing/base-metals-investing/copper-investing/anglo-american-sells-quellaveco-mitsubishi/>

²⁰Mining.com, March 31, 2015, <http://www.mining.com/less-half-copper-projects-needed-meet-demand/>

South African mining operator, with CITIC set to become the majority shareholder of Ivanhoe Mines once the transaction closes. Ivanhoe Mines will use proceeds from the sale to advance its three principal projects in South Africa, including a variety of commodities such as copper, zinc, platinum and nickel.²¹

The third highest copper transaction was the successful tender for the Michiquillay copper project by Southern Copper Corporation from the Peruvian state-owned corporations Activos Mineros SAC and ProInversion. The total value of the transaction was \$400 million for the development project, which will be one of the largest copper mines in Peru. The Michiquillay mine is expected to produce more than 225,000 tonnes of copper annually, with an initial mine life of more than 25 years, after its production start date in 2025.²²

EMR Capital Advisors makes a second appearance as a top ten investor this half, this time for a Chilean copper mine. BHP Billiton sold its \$320 million Cerro Colorado mine to the Australian private equity firm and, at 65,000 tonnes of production of copper cathode in 2017, the mine was BHP's smallest asset in Chile. The mine is predicted to run out of ore in 2023, but its life could be extended for several decades beyond. EMR Capital hopes this acquisition will support the increased demand for copper from growth in the electric vehicles and renewables sectors.²³

Large zinc transaction

South32 Limited's acquisition of the remaining 83% of outstanding shares of Arizona Mining Inc. was an all-cash transaction valued at \$1.3 billion. This was the fourth largest transaction of H1 2018. The transaction will add a flagship silver-lead-zinc project to the U.S. mining industry, and the transaction price implies a \$1.6 billion value for Arizona Mining. Arizona Mining owns the Hermosa Project, which most notably contains the Taylor deposit, a high-grade zinc development project.²⁴

Vanadium makes an appearance on the top deals list

The fifth largest transaction of the half was Huan Hsin Holdings' acquisition of a 99.9% equity interest in Huangshan Zhongtian Weiliang Mining Co., for a total transaction value of \$1.3 billion. Huangshan Zhongtian Weiliang is an investment holding company which mines, smelts and distributes vanadium products. The target owns a 100% interest in a vanadium mine in Huangshan, as well as a license to mine up to 115,000 tonnes of ore from the Guocun Mine, one of the largest vanadium deposits in China.²⁵ Vanadium is a rare earth metal which is often used in electric car motors. The transaction strategy is underpinned by China's increasing interest in investing in metals related to growth in the electric vehicle sector.

Sole transaction for gold in the top ten

Hecla Mining completed the \$462 million acquisition of Klondex Mines this half. While Hecla Mining is generally known as a leading silver producer with an expansive asset portfolio across North and South America, it is also a growing gold producer with mines located in Quebec and Nevada. This transaction resulted in the acquisition of Klondex's three high-grade gold producing mines – Midas, Hollister and Fire Creek. These assets add production capacity and immediate cash flow to Hecla's portfolio, and the transaction results in approximately 162,000 ounces of additional annual gold production.²⁶ Klondex's Canadian operations will be spun out to existing shareholders through a newly formed entity called Havilah Mining Corporation, listed on the TSX Venture Exchange.²⁷

Blockbuster potash merger officially closes

While not included as a transaction this half, it is worth noting that the blockbuster PotashCorp - Agrium merger, which was announced in H2 2016, has received final approval to merge into a new company called Nutrien. The two companies officially merged on January 1, 2018, and the entire enterprise value is valued at \$36 billion. Together, the two companies – under the banner of Nutrien – create the world's largest crop nutrient provider.²⁸

²¹ Business Vancouver, June 11, 2018, <https://biv.com/article/2018/06/chinas-citic-buys-stake-ivanhoe-mine-560-million>

²² Southern Copper Corporation, February 21, 2018, <http://www.southerncoppercorp.com/ENG/invrel/INFDL/PressRelease/pr180221.pdf>

²³ National Mining Chronicle, June 20, 2018, <http://www.nationalminingchronicle.com.au/news/18264-emr-capital-to-buy-bhp-s-cerro-colorado-copper-mine>

²⁴ Junior Mining Network, June 17, 2018, <https://www.juniorminingnetwork.com/junior-miner-news/press-releases/1333-tsx/az/48344-south32-to-acquire-arizona-mining-in-agreed-all-cash-offer.html>

²⁵ Business Times, March 6, 2018, <https://www.businesstimes.com.sg/companies-markets/huan-hsin-to-acquire-mining-company-stake-for-s106b-in-reverse-takeover-eyes-exit>

²⁶ Mining Global, March 19, 2018, <https://www.miningglobal.com/investing/hecla-mining-acquires-klondex-mines-462-million>

²⁷ Junior Mining Network, March 9, 2018, <https://www.juniorminingnetwork.com/junior-miner-news/press-releases/351-tsx/kdx/43857-hecla-to-acquire-three-high-grade-nevada-gold-mines-with-the-acquisition-of-klondex-mines-ltd.html>

²⁸ CBC, December 27, 2017, <https://www.cbc.ca/news/canada/saskatchewan/agrium-potashcorp-merger-nutrien-1.4465479>

Market activity - H1 2018 top financing transactions

The first half of 2018 saw several transactions made through alternative financing methods, such as streaming and royalty deals, one of which was the first of its kind.

H1 2018 transactions - Top alternative financing deals (millions USD)

Announced Date	Target/Issuer	Buyers/ Investors	Consideration	Transaction Type	Asset/ Mine	Commodity	Asset Location	Asset Stage
Jun 28	Vale S.A.	Wheaton Precious Metals Corporation	\$390	Streaming	Voisey's Bay Mine	Cobalt	North America	Production
Jun 11	Vale S.A.	Cobalt 27 Capital Corporation	\$300	Streaming	Voisey's Bay Mine	Cobalt	North America	Production
Jun 18	Osisko Gold Royalties Ltd.	Falco Resources Ltd.	\$180	Royalty	Horne 5 Project	Silver	North America	Development
May 16	Centerra Gold	Triple Flag Mining Finance Bermuda	\$155	Sale of subsidiary's royalty portfolio	AuRico Metals' royalty portfolio	Gold	North America	Exploration
May 23	Highlands Pacific Ltd.	Cobalt 27 Capital Corporation	\$113	Streaming	Ramu Mine	Cobalt-Nickel	Australasia	Production
May 16	Centerra Gold	Triple Flag Mining Finance Bermuda	\$45	Streaming	Kerness Project	Silver	North America	Production
May 30	Newmont Mining	Maverix Metals	\$17	Sale of royalty portfolio	Royalty portfolio	Various	Global	Various
May 10	ValGold Resources Ltd.	Metalla Royalty & Streamig Ltd.	\$7	Sale of company and royalty	Garrison Project	Gold	North America	Exploration

Source: Thomson, Capital IQ and KPMG in Canada analysis

In recent years, we have seen a growing trend of traditional forms of financing such as equity and debt, being complimented by alternative financing options. For example, streaming transactions provide a secure financing opportunity for mining companies looking to develop or expand capacity of their mining assets. Typically, the streaming company will make an upfront investment in a resource company for the right to purchase future production at a pre-set price. The vast majority of streaming transactions for H1 2018 are for assets located in North America (specifically Voisey's Bay Mine, Horne 5 Project, Kerness Project and the Garrison Project are all located in Canada).

Cobalt was the major commodity involved in streaming transactions this half, a first of its kind for cobalt as the primary commodity stream. As a key component of lithium-ion batteries, demand and consumption for this commodity is predicted to increase dramatically in the coming years. The quantity of electric vehicles is expected to increase from 1.1 million worldwide in 2017 to 11 million in 2025.²⁹ Prices for

cobalt hit a ten-year high in the first half of 2018, and increased electric vehicle production is expected to lead to an estimated 20% boost in global cobalt demand for the next five years.³⁰

H1 2018's largest financing transactions involved the cobalt stream from Vale's Voisey's Bay mine in Canada. Both Wheaton Precious Metal (WPM) and Cobalt 27 Capital Corp. entered cobalt streaming deals at Voisey's Bay, in transactions valued at \$390 million and \$300 million. Beginning in 2021, WPM is entitled to approximately 42% of the cobalt production for the Voisey's Bay mine until the delivery of 31 million pounds, at which point the percentage drops to 21% for the remainder of the life of the mine. In a similar deal structure, Cobalt 27 will be entitled to approximately 33% of Vale's cobalt production until the delivery of 24 million pounds, at which point the percentage drops to 16% for the remainder of the life of the mine. Together, WPM and Cobalt 27's combined investment of \$690 million garners approximately 75% of Voisey's Bay's cobalt production.³¹

Toronto-based Cobalt 27 was also involved in another major cobalt transaction in the half, this time with Australia's Highlands Pacific in a share placement and streaming deal. Highlands Pacific will issue 142.5 million shares to Cobalt 27 at price of approximately 10 cents per share, equating to approximately 13% of the company and making Cobalt 27 the largest shareholder. The streaming agreement includes a \$112 million upfront deposit for Cobalt 27 to acquire 55% and 28% of Highland's future cobalt and nickel production, from the Ramu mine in Papua New Guinea for the life of the project. As a result of this transactions, both Cobalt 27 and Highlands Pacific are placing executives on each other's board, which may indicate a potential long-term strategic partnership between the two organizations.³²

²⁹ BloombergNEF, May 21, 2018, <https://about.bnef.com/blog/e-buses-surge-even-faster-evs-conventional-vehicles-fade/>

³⁰ Investing News, December 13, 2017, <https://investingnews.com/daily/resource-investing/critical-metals-investing/cobalt-investing/cobalt-outlook/>

³¹ Wheaton Precious Metals, June 11, 2018, Press Release, <https://www.wheatonpm.com/news/pressreleases/News-Releases-Details/2018/Wheaton-Precious-Metals-Acquires-Cobalt-Stream-from-Vales-Voiseys-Bay-Mine/default.aspx>

³² Post Courier, May 24, 2018, <https://postcourier.com.pg/highlands-pacific-cobalt-27-agree-streaming-deal/>

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