

MINING IN TRANSITION

SIX TAKEAWAYS FROM THE 2024 FT MINING SUMMIT

We recently attended the 2024 FT Mining Summit in London, joining the sector's leading voices exploring the latest trends, innovations, and challenges.

The energy transition promises to be costly. Insufficient capital flows in the mining sector, however, could affect the pace and efficacy of bringing needed mines online and deploying new technology. This reality, coupled with today's market volatility and geopolitical instability, were widely discussed at the summit.

HERE ARE SIX TAKEAWAYS OUR TEAM OBSERVED

1 COPPER SERVES AS A CORNERSTONE

Even as everyone suffers from super-cycle fatigue copper prices continue to successfully achieve 'higher lows' as capital remains readily available. However, with everyone wanting in, valuations for the best assets are rising to challenging levels.

3 MINERS MUST IMPROVE EXECUTION

To better attract investment and remain competitive, industry leaders contend companies must improve project delivery, including meeting timelines and managing costs. Poor execution across lithium is a concern, as is the hard work required to ramp-up the world's best (mega) projects.

[AlixPartners estimates](#) miners typically run more than 50% over capital budgets on mega projects.

5 EXPECT M&A ACTIVITY TO PICK-UP

Industry leaders discussed the need to examine internal capabilities to successfully execute M&A, and focus on partners who bring capabilities, not just capital, to the relationship. Participants spoke of how commodity volatility and capital shortages have prompted companies to seek strategic partnerships and consolidation opportunities.

2 INVESTMENT REMAINS INADEQUATE

Leaders commented that attracting investment to the wider sector, meanwhile, remains a challenge despite a strong commodities outlook for critical minerals. Sovereign wealth funds have made substantial investments, but – in many cases – are limiting transactions to minority positions in Tier 1 assets or brownfield expansions.

4 PERMIT TIMELINES REMAIN TOO LONG

Permit challenges dominate the conversation. The industry typically endures 15 to 20 year timelines from discovery to production. Based on the [acquisition premium being paid in copper](#) vs. development – we see significant assumed risk being associated with permitting and commissioning projects. To effectively manage the permitting process, some companies and jurisdictions are ensuring the latest technologies can be included at operational startup, rather than often outdated technology from when the permit was obtained.

6 MINING MUST IMPROVE ITS PUBLIC PERCEPTION

Leaders commented that attracting investment to the wider sector, meanwhile, remains a challenge despite a strong commodities outlook for critical minerals. Sovereign wealth funds have made substantial investments, but – in many cases – are limiting transactions to minority positions in Tier 1 assets or brownfield expansions.

The opinions expressed are those of the author(s) and do not necessarily reflect the views of AlixPartners, LLP, its affiliates, or any of its or their respective professionals or clients. This article Mining in Transition: Six takeaways from the 2024 FT Mining Summit ("Article") was prepared by AlixPartners, LLP ("AlixPartners") for general information and distribution on a strictly confidential and non-reliance basis. No one in possession of this Article may rely on any portion of this Article. This Article may be based, in whole or in part, on projections or forecasts of future events. A forecast, by its nature, is speculative and includes estimates and assumptions which may prove to be wrong. Actual results may, and frequently do, differ from those projected or forecast. The information in this Article reflects conditions and our views as of this date, all of which are subject to change. We undertake no obligation to update or provide any revisions to the Article. This Article is the property of AlixPartners, and neither the Article nor any of its contents may be copied, used, or distributed to any third party without the prior written consent of AlixPartners.