

Aussie Mine 2024

# Critical alignment



# Executive summary

## Welcome to the 2024 edition of Aussie Mine: Critical alignment.

Aussie Mine analyses the current state of Australia's mid-tier 50 mining companies (MT50), as well as the opportunities and challenges ahead. The list of companies in the MT50 this year is on pages 29 and 30.

There is a clear link between decarbonising the global economy and opportunities for Australian mining companies. In this edition we delve into the critical alignment needed to navigate this complex landscape successfully.

### Critical alignment? Not yet

Market sentiment for most critical minerals finished FY24 much lower than at the start—with copper the standout exception. From record highs a year ago, significant share price falls have seen seven critical minerals companies exit the MT50 this year. The aggregate market capitalisation of MT50 critical minerals companies fell by 28% over the year to June 2024, while earnings were 61% lower.

This begs the question: What has happened in critical minerals markets? Were the expectations for critical minerals wrong?

In fact, we aren't entirely surprised by the results. Last year, we noted market misalignment, caused by short-term uncertainty in the global economy, as well as geopolitical risks. Both continue in 2024.

But beyond the short-term uncertainty, the picture for critical minerals is clear. That is, demand will continue to rise significantly to meet the need for lower carbon technologies. So much so, that it will be very challenging for supply to keep pace with demand.

There is no substantive change to the (significant) opportunity for Australia and our mining companies. As we noted in Aussie Mine 2023, there is the opportunity to generate \$171bn in gross domestic product (GDP) and create almost 330,000 jobs by 2040, if we make critical choices to align our policy settings to market needs. We have taken some steps towards this, but policy misalignment also continues.

## What does critical alignment look like?

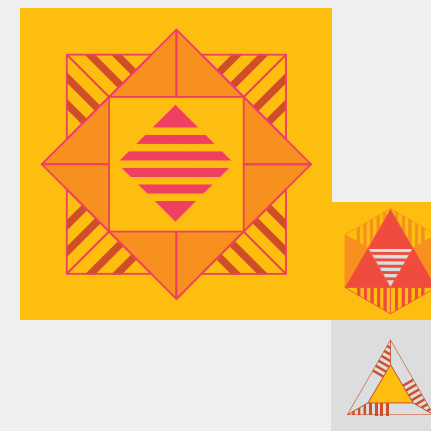
Decarbonising the global economy presents many increasingly complex challenges. It also requires enormous investment in resources because lower carbon technologies are minerals intensive. This comes at a time when the non-production related expectations placed on the mining sector are the highest they have ever been.

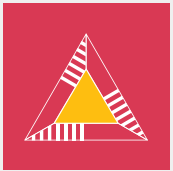
To accelerate and maximise investment in resources we need sustained alignment of:

- mining company strategies
- financial markets prepared to invest and lend
- governments focused on long-term, genuine support
- partnerships with customers (downstream processors and original equipment manufacturers (OEMs))
- end customers willing to pay a fair but higher price for better environmental, social and governance (ESG) products
- communities supportive of increased mining activities, and
- international cooperation.

## What else is needed?

Trusted, clear and transparent communication is also critically important to achieving sustained alignment. The mining industry remains misunderstood by many stakeholders, despite being vitally important for today's living standards, and essential for a lower carbon future. Communicating the full impact of the sector's activities can help close this gap. This must be a priority for every mining company—our future depends on it.





# Contents



4 Highlights

6 Critical alignment

8 Economic alignment

10 Communication alignment

12 Sustainability reporting and strategy alignment

14 Energy transition alignment

15 The future of mining

17 Deals alignment

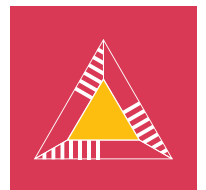
19 Tax alignment

21 Financial analysis

29 MT50

31 10-year trend

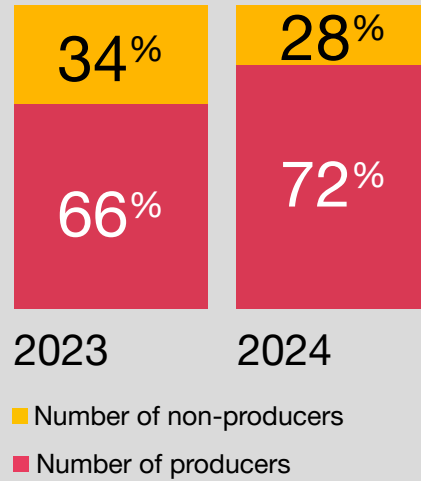
32 Glossary



# Highlights



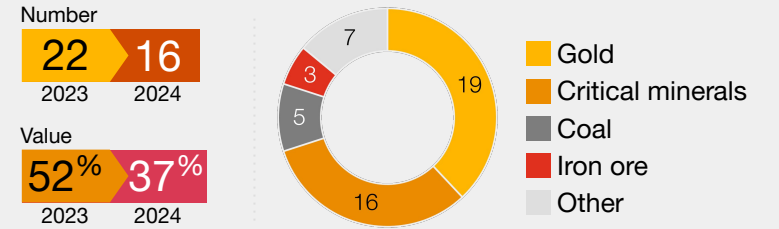
## MT50 overview



## Market capitalisation



## Critical minerals companies and commodity mix

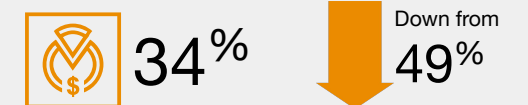


## Earnings

EBITDA total



EBITDA margin



## Revenue



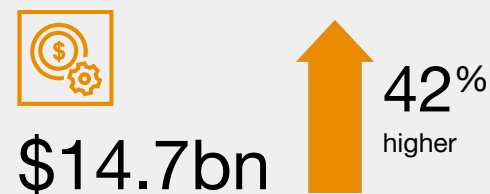
## Operating cash flows



## Net Cash



## Capex



## Deals

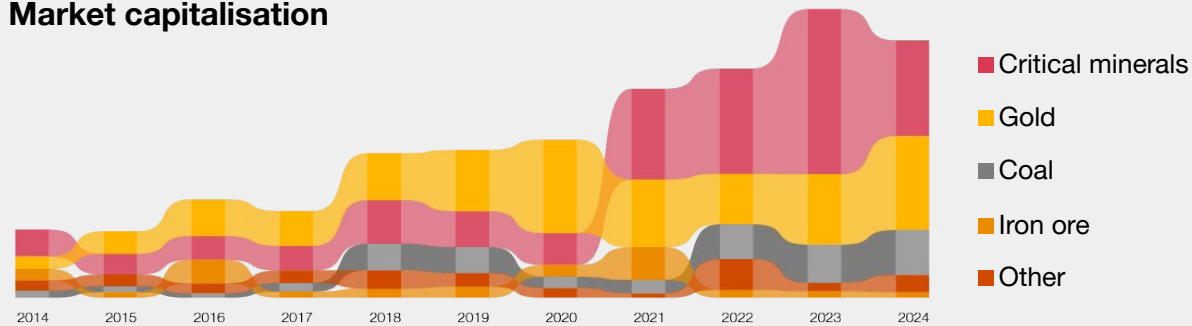


## Gearing

20%

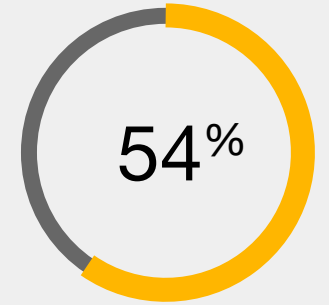
Up from 16% in 2023

## Market capitalisation



## Market value

Top 10



## Changes in market value

Coal companies' impressive increase \$24.4bn



~320% increase over three years

up from \$7.5bn in 2021

## Shareholder returns

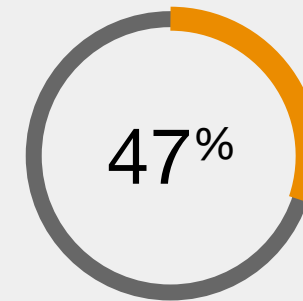
\$3.8bn



29% Lower

## Coal

total dividend paid



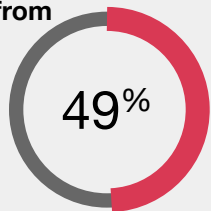
## Return on equity

7.5%

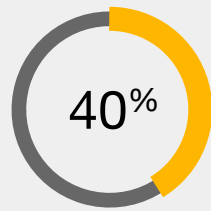
One-third of 2023

## Gold

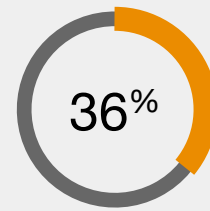
Of total cash from operations



Of total EBITDA



of total market value



## Financing cash flows

Net debt issued inflow



\$8.9bn higher than 2023

Net financing cash inflows



\$13.4bn higher than 2023



# Critical alignment



## The path to net zero is increasingly complex

Decarbonisation, regardless of its speed, hinges on increasing the production of critical minerals. The International Energy Agency (IEA) estimates ‘very rapid growth in demand for key minerals’ to limit global warming to 1.5°C, specifically: 8.7x for lithium, 3.9x for graphite, 2.1x for nickel, 1.9x for rare earths and 1.5x for copper over the next 15 years<sup>1</sup>. Meeting demand for critical minerals requires substantial investment by mining companies, and others (including governments in common user infrastructure). It also requires sustained alignment of the following key elements.



## Mining company strategies

Mining companies face an increasing number of demands, and these demands require sustained strategic alignment. From prioritising sustainable practices (including investing in decarbonising existing activities), to exploring and developing critical minerals, to developing and implementing new technologies; the future of mining looks different. So too must mining company strategies.

## Partnerships with customers

Customers are critical stakeholders in the supply chain for low carbon technologies. Developing strong partnerships with downstream processors and OEMs can help stabilise demand for sustainably sourced minerals. Some of this will be financial (such as investment, joint ventures, offtake arrangements, and lending). Collaborating on creating new approaches will also be important.

## Governments focused on long-term genuine support

Government policies and regulations play a crucial role in shaping the landscape for decarbonisation efforts—well beyond setting targets. We need to think differently to create the right policy settings (see [Aussie Mine 2023: Critical choices](#)). Suffice to say, the extent of the challenge requires new and innovative long-term support from governments.

## Financial markets prepared to invest and lend

Investors and lenders must be willing to provide the necessary capital to support the transition to a low carbon economy. This includes investing in the minerals needed for transition. However, attracting capital can be challenging due to the price volatility that’s often associated with rapidly evolving markets (demand and supply shifts) and emerging minerals.

## End customers willing to pay a fair but higher price for better ESG products

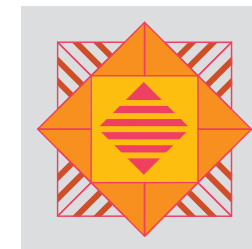
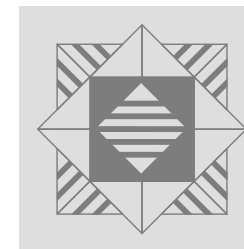
A ‘green premium’ for better products isn’t a given. Consumers play a vital role in driving demand for environmentally and socially responsible products. End customers must be willing to pay a premium for products that adhere to higher ESG standards, providing companies with the incentives to invest in sustainable products.

## Communities supportive of increased mining activities

Community support is essential for the successful expansion of mining activities. Better communication and commitment to transparency is important here. Mining companies must engage with communities, address concerns, and demonstrate the benefits of their project/s (such as job creation and economic development), and all while demonstrating environmental responsibility.

## International cooperation

Global challenges require global solutions. International cooperation is crucial for sharing knowledge, resources, and best practices. Collaborative efforts between countries can help harmonise regulations, standardise ESG criteria and expectations, and promote consistent adoption of low carbon technologies.



<sup>1</sup> IEA Global Critical Minerals Outlook 2024, May 2024 page 96.

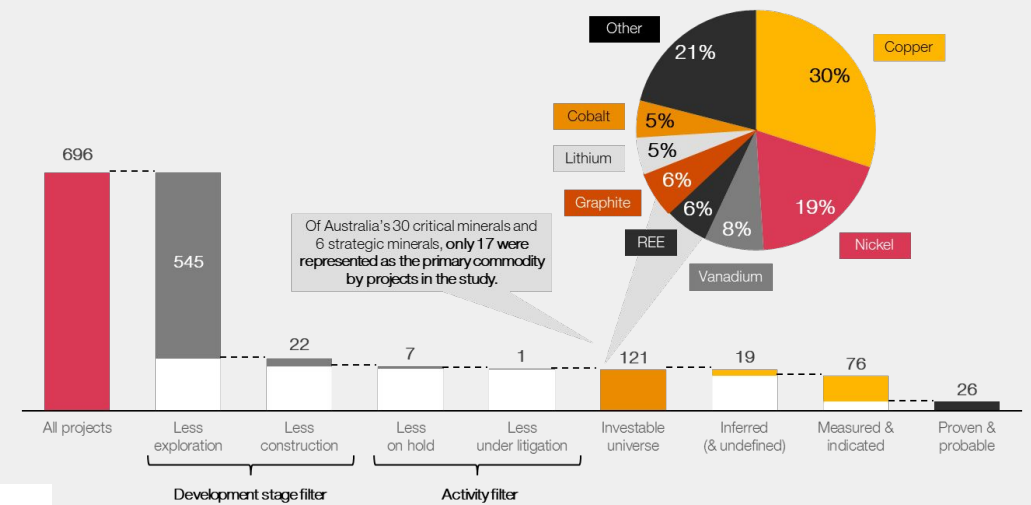
## Critical thinking: Thinking differently to unlock our potential

Australia is well endowed with the critical minerals needed for a low carbon economy, including lithium, cobalt, copper, alumina/aluminium, manganese, nickel, rare earth elements and vanadium. Yet our [analysis](#) shows Australia currently has a limited investable pipeline of projects, especially with a net present value greater than \$500m. We need innovative thinking to unlock Australia's critical minerals potential, especially when we face a double challenge in the (small) number of projects and the (small) size of the projects themselves.

How can we translate Australia's incredible success in bulk commodities to the critical minerals industry, given that critical minerals is a different ballgame to commodities, with different rules and different players? The answer is twofold. We need to catalyse private capital by adopting mechanisms that address price volatility and volume risk; and we need to develop mining project clusters to aggregate reserves and resources to achieve economies of scale. Collaboration and innovation are at the heart of these solutions.



## There are as few as 26 pre-FID projects with proven and probable reserves





# Economic alignment



As we head into 2025, the global economy presents a mixed bag of opportunities and challenges for the mining sector. With global output growth showing resilience and inflation moderating, the stage is set for a more stable economic environment. Cautious optimism is key, especially with ongoing conflict in the Middle East and Ukraine, multiple elections and ongoing stress on the multilateral trade system.

The considerable investment needed to accelerate the global decarbonisation rate will provide significant tailwinds to the mining industry. The impact of market and global misalignment in 2024 creates uncertainty on the timing of this acceleration.

## Global economic resilience, but aggregate figures hide divergent regional outcomes

The global economy has demonstrated noteworthy resilience, with output growth expected to stabilise at around 3.2% across 2024 and 2025<sup>1</sup>. Inflation rates are coming down enabling monetary policy easing and resulting in improved real incomes. Notably, major economies such as the US, Brazil, India, Indonesia, and the UK are showing robust growth, while Germany faces softer outcomes and Argentina deals with contraction.

The IMF forecasts US GDP growth will decelerate to 2.8% in 2024 and 2.2% in 2025<sup>2</sup>. This is ahead of projections for most advanced economies, except Canada. The US remains Australia's number one source of foreign direct investment and our fifth largest export destination, so the relative economic performance of both countries will influence capital flows and income. US protectionist trade policies will likely continue the fracturing of global trade. How this plays out for Australia is unclear, but for mining it will be the impact this has on Chinese production levels for goods like electric vehicles that will be key.



The Euro Area is expected to remain the laggard of developed economies with growth of 0.8% in 2024 and 1.2% in 2025 while Chinese growth moderates at around 4.5% in 2025.<sup>3</sup> India's growth is projected to settle at 6.5% in 2025, slowing relative to recent growth. The global shift to services economies continues, with manufacturing increasingly likely to be concentrated in India and China, even as China continues to balance its economy towards greater domestic consumption. Steel production and demand in these countries warrants close attention, with current Chinese steel imports to India dampening prices and aspirations to increase its own steelmaking capacity. Given the strong, positive correlation between economic growth and commodity prices (see PwC analysis in [Aussie Mine 2022](#)) forecasts indicate a tempered but steady demand for commodities, necessitating strategic production planning and diversification of markets to mitigate risks associated with regional economic slowdowns.

China announced a major stimulus package in early October 2024 to boost spending and investment, comprising a comprehensive set of monetary and fiscal initiatives that will increase the availability of credit and liquidity, increase government spending and stabilise the property market. The scale of the stimulus is material and will help China achieve its target output growth of 5%. But the extent to which it can curb its ailing property sector is unclear. For Australia, how these initiatives can lift Chinese demand for its own steel production will be key.

Growth rates among Australia's other top export destinations are wide, with Japan currently at 0.3% but forecast to lift to 1.1%, South Korea has lifted to 2.5% and will moderate slightly in 2025, and India forecast to drop slightly to 6.5% in 2025.<sup>4</sup>

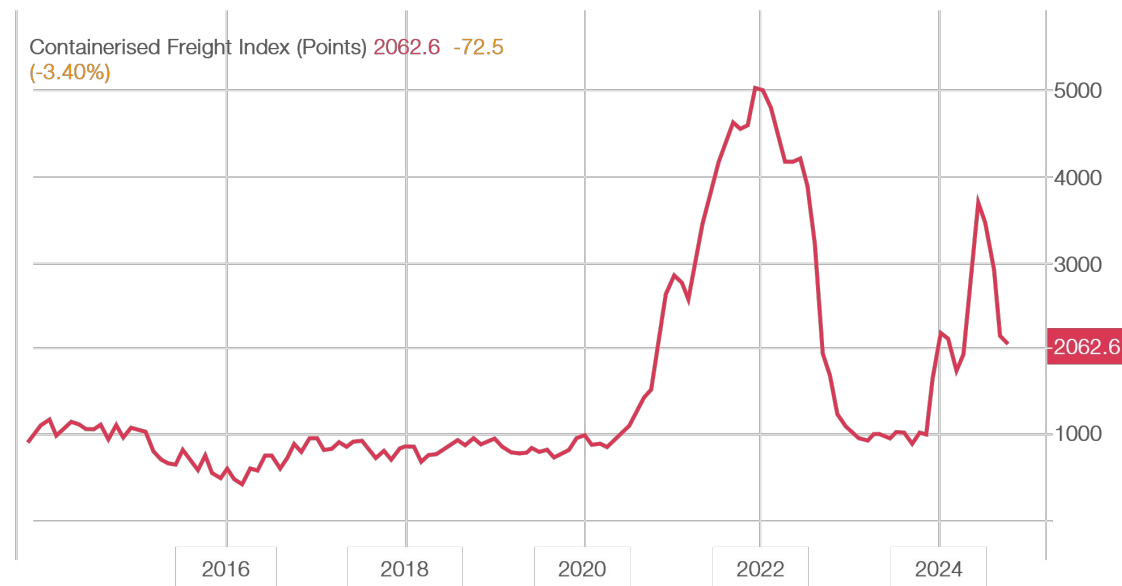
1 IMF (2024) [World Economic Outlook](#), October 2024  
2 Ibid

3 Ibid  
4 Ibid



## Supply chains remain a key source of value and risk

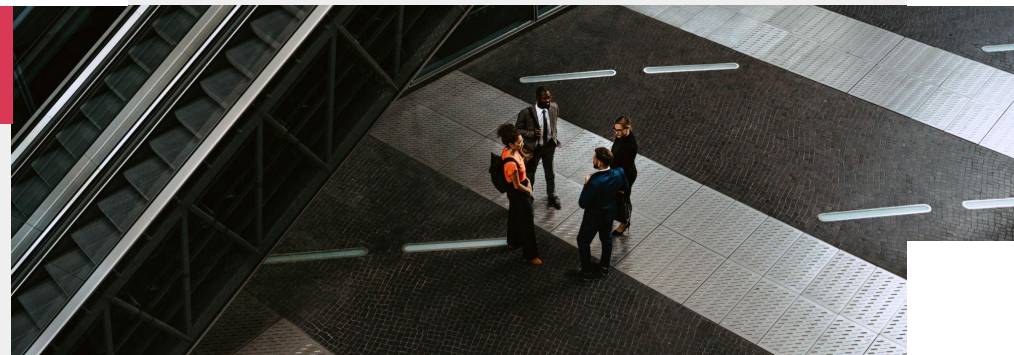
Inflation trends reveal a dichotomy between goods and services. While goods price inflation has generally decreased globally, services inflation is a concern, and remains above the target range in most G20 countries. For the mining sector, input costs for goods might stabilise, however, operational costs related to services could remain elevated, impacting overall profitability. This phenomenon has been particularly prevalent in the cost of shipping services. After a return to the long-term post-pandemic average, 2024 has seen a sharp rise in shipping costs as geopolitical instability around the Red Sea has driven up costs.



Source: <https://tradingeconomics.com/commodity/containerized-freight-index>

Mining companies should focus on optimising their supply chains and exploring cost-effective logistics solutions to maintain competitiveness. Central to this is the ability to navigate regional geopolitical issues along trade routes as they emerge. Firms need to be prepared for volatility in global trade dynamics.

1 RBA (2024) [August 2024 Statement on Monetary Policy](#)



## Reasons for optimism in the local economy

Australia's economic growth looks set to pick up in 2025, driven by a recovery in household consumption and continued public spending.<sup>1</sup> While private demand remains subdued due to financial constraints, increased public spending on infrastructure projects, and robust business investment in digitisation and renewable energy offer growth opportunities.

For mining firms looking to take advantage of an upswing in economic activity, the weaker Australian dollar and cautious commodity market sentiments, influenced by softening Chinese demand, are key challenges. While China's economic recovery has been weaker than anticipated due to property sector issues, the reaffirmation of a growth target around 5%, alongside the recent stimulus package provides a source of optimism.

The recent depreciation of the Australian dollar, influenced by interest rate differentials and risk sentiment, adds another layer of complexity. Mining firms must navigate these currency fluctuations and adjust their strategies to safeguard margins. A vigilant approach, which includes diversification across export markets and investment in innovation to enhance operational efficiency and sustainability, will help miners in the medium term.





# Communication alignment



**Trusted communication is a strategic imperative. Committing to a better way of clearly, transparently and holistically communicating the full impact of mining activity should be a priority for every mining company. Communities must understand the economic and broader societal benefits from the minerals sector.**

Our standard of living depends on minerals which are vital for technology, construction, energy, transport and food supply chains globally. In addition, we cannot move to a low carbon economy without increased minerals. And yet the holistic impacts of the mining sector are often misunderstood. Expectations on mining companies are higher than ever. This means mining companies must measure and communicate their impact to ensure they have a future. The industry faces challenges including:



## **Environmental concerns:**

The sector is often criticised for its environmental impact, such as land and ecosystem degradation and water pollution.



## **Social licence to operate:**

Mining companies may face opposition from local communities due to (perceived or actual) localised social and environmental injustices.



## **Economic contributions:**

The total contribution of the sector in terms of economic activity, jobs, and tax and royalty revenue is often significantly underestimated by the community.



## **Health and safety concerns:**

Mining operations can be associated with health and safety risks for workers and nearby communities, leading to public unease.



## **Climate change and sustainability:**

The mining sector (notably coal) faces intense scrutiny for its role in climate change.



## **Transparency and accountability:**

The industry can suffer from public distrust fuelled by historical instances of a lack of transparency.

While these challenges are legitimate and warrant attention, it is important that the mining sector's positive contributions are not understated or ignored. Decision makers, whether regulators, mining companies, or community stakeholders, should be informed by accurate, robust data because better-informed stakeholders lead to better-informed decisions. This is why understanding, measuring and communicating the whole impact is crucial.



Understanding impact means having an accurate and comprehensive depiction of the role and contribution the sector plays in our economy and society. It does not mean advocacy at all costs.

For example, understanding the number of jobs directly and indirectly supported by an industry is as informative to a company looking to advocate for further investment, as it is to a policymaker looking to understand how many jobs may be lost, and therefore how many individuals may require support or retraining.

So what does effective communication look like? It varies by company, geography, and regulatory environment but key elements include:

### Detailed narratives:

Showcase efforts in environmental restoration, sustainable practices, and carbon footprint reduction.



### Health and safety records:

Share data on health and safety improvements, investments in worker well-being, and emergency response initiatives.



### Community engagement:

Highlight partnerships with Indigenous communities and contributions to local socioeconomic development through success stories of community projects, educational initiatives, and infrastructure development.



### Climate action initiatives:

Report on transitioning to renewable energy, investing in green technologies, and supporting global sustainability goals with detailed carbon reduction initiatives.

### Economic impact assessment:

Provide transparent assessments of contributions to job creation, local supply chains, and tax revenues.

### Utilising technology:

Use digital platforms and social media for real-time updates, impact stories, and interactive content like virtual tours, webinars, and online forums.

By adopting transparent, innovative, and comprehensive communication strategies, mining companies can enhance investment opportunities, improve public perception, strengthen stakeholder relationships, and secure long-term success in a competitive landscape.





# Sustainability reporting and strategy alignment



2024 has been a major year for regulatory change and framework alignment for many Australian mining companies. The implementation of the Safeguard Mechanism reforms impacted FY24 reporting, while preparations are underway for mandatory sustainability reporting, which will begin for annual periods beginning from January 2025. Mandatory sustainability reporting will be initially focused on climate. However, the International Sustainability Standards Board has outlined its future focus on disclosing risks and opportunities related to biodiversity, ecosystems, ecosystem services and human capital which are critical licence to operate areas in the mining sector.

Industry standards on responsible mining are also changing. As the expectations of investors, customers and communities regarding the sustainability of mining practices continue to evolve, there is an increasing demand for responsibly sourced and produced minerals and metals. This has resulted in miners facing a multitude of standards, questionnaires and compliance obligations, all aimed at assessing their commitment to responsible practices. This is about to change, and for the better. The Consolidated Mining Standard Initiative (CMSI), a collaborative effort by The Copper Mark, the International Council on Mining and Metals (ICMM), the Mining Association of Canada (MAC), and the World Gold Council (WGC), aims to unify their responsible mining standards into a single voluntary global standard and a comprehensive multi-stakeholder oversight system. The draft standard has been released and is available for initial consultation until 16 December 2024. From 2025, the Minerals Council of Australia will adopt Towards Sustainable Mining (TSM), and will require members to report under the TSM protocols and obtain external verification.

While the new requirements may appear daunting and compliance focused, they represent a pivotal opportunity for the mining industry to grow and demonstrate sustainable mining practices. Embracing these changes will allow companies to manage risks more effectively, innovate operations, and enhance their competitive edge.

Mining companies' reporting on carbon emissions, climate risks and opportunities, and sustainability initiatives will tell a story of how and where their operations impact the climate, outline their respective transition plans and highlight their broader sustainability focus. It will highlight where each organisation needs to transform, and the tactical changes needed to remain leaders in responsible mining practices.

## Attracting investment through transparent reporting



of investors continue to advocate for the integration of ESG factors into corporate strategy.



of investors said they would increase their level of investment in, or recommendation of, companies that successfully manage sustainability issues relevant to the business's performance and prospects.



ASIC regulatory interventions to address greenwashing misconduct during 15-month period up to 30 June 2024.



of the 247 companies reviewed by the ACCC last year were found to have made false, misleading, unclear or unsubstantiated claims.

## What are the three key success factors in responding to changing reporting requirements?



**A strategically aligned climate transition plan, supported by demonstrated organisational resilience, plus transparent scenario analysis disclosure.**

Integrating transition plans into financial disclosures is fundamental. This offers a clear path for strategic action, and fosters greater transparency and accountability across the mining sector. Disclosure should allow investors to understand transition plans and price risk more accurately when making capital allocation decisions.



**A thorough understanding of climate risks and opportunities, with a focus on the realistic and manageable opportunities embedded in the organisation's corporate strategy.**

Risk management is generally integrated into the governance framework of companies. However, climate opportunities can be overshadowed by competing business priorities. Organisations should undertake a thorough and detailed materiality assessment to focus resources on the highest risk areas. Organisations can also leverage management reporting to examine resource usage and expose waste generation, leading to cost savings and enhanced operational efficiency.



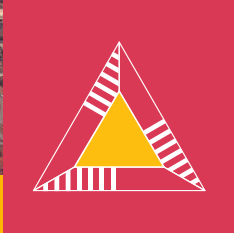
**An unwavering commitment to providing trusted and transparent reporting.**

As stated public climate and sustainability commitments increase rise, compliance with new regulations and, the need for trust and transparency becomes paramount. Stakeholders are increasingly vigilant about false or exaggerated sustainability claims. Meanwhile, the Australian Securities and Investments Commission (ASIC) is addressing greenwashing misconduct, and the Australian Competition and Consumer Commission (ACCC) is expanding its focus to scrutinise misleading sustainability claims in the manufacturing and energy sectors, as well as planning to collaborate closely with ASIC and the Clean Energy Regulator. In short, transparency is key—especially as scrutiny is increasing.





# Energy transition alignment



## The reality of net zero commitments

Almost a decade has passed since the historic Paris Agreement and the resulting pledges by many to achieve net zero greenhouse gas emissions by 2050. [PwC's 2024 Net Zero Economy Index](#) reveals that the global reduction in carbon intensity has stalled to its lowest level in over a decade. The Net Zero Economy Index is our annual indicator of the progress made in reducing energy-related CO2 emissions and decarbonising economies. With a global decarbonisation rate of only 1.02% in 2023, the world must now decarbonise 20 times faster to limit warming to 1.5°C above pre-industrial levels. Overshooting this threshold is fast becoming a reality, so bold action is needed to meet climate ambitions.

 50%

of global diversified miners are not yet aligned to meet the Paris Agreement targets<sup>2</sup>.



## Energy pragmatism demonstrates misalignment

'Energy pragmatism', a term first used by Larry Fink in March 2024<sup>1</sup>, is increasingly being touted as a more practical refinement to energy transition. Energy pragmatism sees the energy transition as a major global economic trend, while also acknowledging that energy security and cost will impact the speed of transition.

It's important to keep sight of the energy transition path, and to prevent energy pragmatism from being used as a delaying tactic.

Our challenge to mining companies is to find the compelling risk-adjusted value in decarbonisation to help catalyse change. Investors and other stakeholders are demanding companies find ways that deliver abatement and returns to shareholders.

## Thinking laterally: Biofuels and vertical integration

Lithium and nickel producer IGO found that underground mine fleet electrification has the potential to be commercially viable at its Cosmos mine. This was thanks, in part, to savings from reduced cooling and ventilation infrastructure requirements. Overall, the net present cost of transitioning Cosmos to a battery-electric vehicles (BEV) fleet was an additional 6% compared to the diesel base case. This cost differential could be closed quickly in the event of either rising diesel prices, an increased internal carbon price, or with a decrease in battery and BEV prices—all of which are plausible in the near term.

Unfortunately, these ventilation and cooling savings are not available to open-cut mines, and the substantial cost and risk barriers of electrifying mining equipment remain cumbersome. The industry is working hard to overcome the impracticalities of fleet electrification such as range limitation, lost productivity while recharging, reduced mine planning flexibility and technology readiness.

This has led some miners to look towards alternatives like biofuels. Biofuels, such as renewable diesel, are direct substitutes that can be used in existing fleets, but with half the emissions impact. Although biofuel has significant balance sheet, productivity, and technology risk advantages over electrification, it has its own challenges including current market availability and premium pricing.

One bold solution is for miners to vertically integrate biofuel production (where the right conditions and assets exist). Surplus land can be used to farm oil-seed crops and for crushing and refining operations. Wastewater from mine dewatering can be recycled for crop irrigation. The resulting biofuel can be self-consumed to decarbonise mining operations, and surplus fuel can be sold to the market for a profit to offset implementation costs, leading to a better overall return on investment.

<sup>1</sup> [Larry Fink's Chairman's letter](#)  
<sup>2</sup> TPI State of Transition Report 2024 Page 21 Figure 2.8

<sup>3</sup> [https://www.perenti.com/wp-content/uploads/sites/13/2024/05/1434-Electrification-White-paper\\_Final.pdf](https://www.perenti.com/wp-content/uploads/sites/13/2024/05/1434-Electrification-White-paper_Final.pdf)



# The future of mining



What does mining look like in the future? The Star Trek franchise would have us see the future of mining as extracting new minerals such as dilithium, tritanium and benamite using transporter technology from different planets. But we don't need to look to space mining for the disruptions impacting the mining industry.

We are actively challenging our mining teams to focus on the likely characteristics of mining companies in the future to help mining executives and directors navigate these disruptive forces.



Shifts in the mining industry are impacting miners and other parts of value chains, and the pace of change is significant and increasing. A rapidly evolving economy, global decarbonisation, geopolitics, technology changes and significantly higher expectations all conflate to present an increasingly complex environment for mining companies. As a result, we expect the thriving mining companies in the future to look vastly different.

Certain changes are clearer than others. The long-term outlook for thermal coal and most critical minerals, for example, is well understood. What's less understood is how to introduce different skill sets into mining, such as technology and data skill sets, automation, and artificial intelligence (AI). Will the mining company of the future have these skills within the organisation or rely on others to provide these services? How will the balance between specialisation and diversification play out? How large will a mining company need to be to meet all stakeholder and regulatory expectations, as well as have meaningful impact on product value chains? What do future value chains look like, and how many participants will have strong partnerships with others along these value chains?

It is clear to us that innovation and technology will continue to play a significant role in future. However, innovation and technology alone will unlikely solve the disruptive changes facing mining. In response, the mining industry needs to reinvent business models to redefine their role in value chains and unlock hidden sources of business value.

## The Impact of disruption



50%

Decrease in average age of S&P 500 companies.

17

Years  
(2024)

vs

37

Years  
(1980)



52%

of companies on the Fortune 500 since 2000 **have gone bankrupt, been acquired, or ceased to exist.**



There has been similar churn in ASX 200 companies over this period.



45%

of global CEOs believe their company will not be viable in ten years unless it changes course.

## High-performing organisations

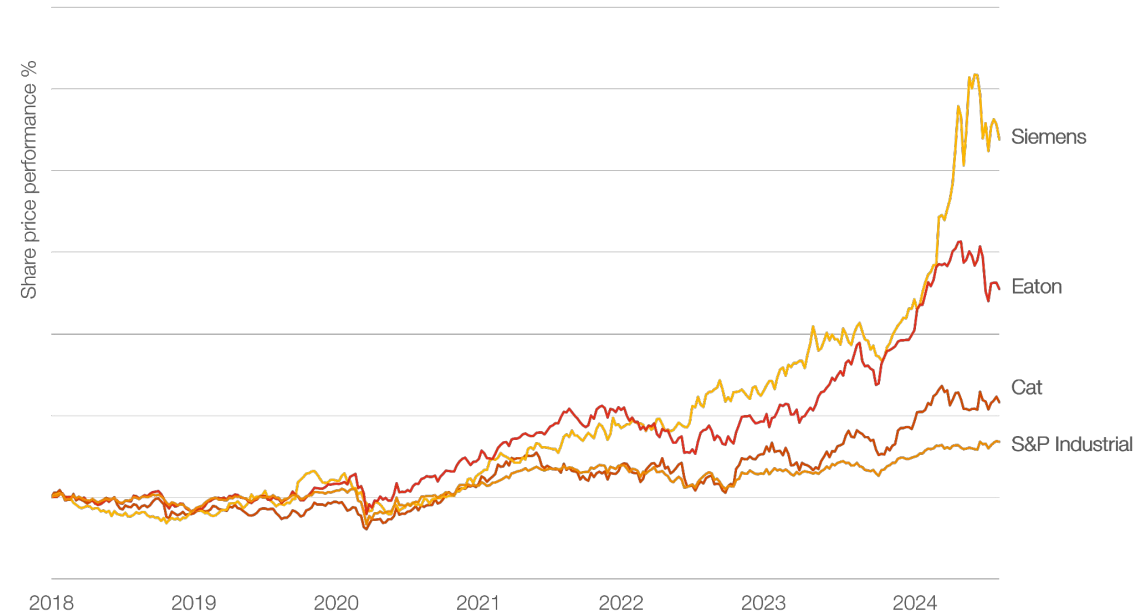
Maintaining high performance is a challenge, and companies that deliver top shareholder returns continue to reinvent themselves. PwC analysed the total shareholder returns performance of S&P 500 Industrials companies and found only 6% of companies were able to maintain top quartile performance in the period 2013-2018 and 2018-2023. Caterpillar Inc. (CAT), Eaton and Siemens are three examples of high-performing companies which maintained top quartile performance or moved up, beating the S&P 500 Industrials Index during the period.

## How did these companies succeed?

**Siemens** adapted its value creation strategy in line with future technologies such as AI and accelerated demand for energy-efficient data centres. It also created a partner ecosystem.

**Eaton** reinvented its market approach to capitalise on movements towards sustainability, digitisation, and the energy transition, through products such as monetising data.

**CAT** reimagined what can be delivered as a service in the industrial industry, including monitoring machine operating data, selling parts in an online store, and preventative maintenance.



## Business model reinvention for mining

We have developed four new 'ways to play' for the mining sector, where miners disruptively transform their business models to potentially unlock over \$200bn in new revenue sources.

- 1 **Mining-as-a-service** providers monetise their capabilities in developing and running mines by providing end-to-end mining solutions for resource owners.
- 2 **Commodity platform coordinators** leverage their industry credentials and reputation as a platform for connecting multiple partners in the development of resources.
- 3 **Recycling system enablers** utilise their certainty of supply, and strong sales and marketing functions generate premiums as point of aggregation for new and recycled commodities.
- 4 **Functions-as-a-service** players monetise distinctive capabilities or scale within their mid- and back-office functions or technical services by selling services to other mines.

External forces continue to challenge traditional mining business models. Therefore, those who move first to reinvent themselves with disruptive ways to play will unlock new sources of value to gain competitive advantage and drive total shareholder returns.





# Deal alignment



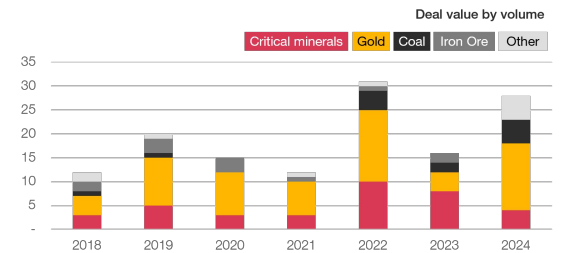
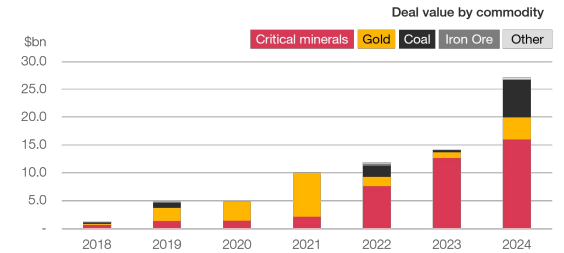
Significant pending deals at the end of FY23 (such as Allkem’s merger with Livent and Whitehaven’s coal acquisitions) meant that FY24 was already shaping up to be a big year for MT50 transactions. Alcoa’s acquisition of Alumina, bringing the two pieces of the Alcoa World Alumina and Chemicals joint venture together, was another significant deal.



The value of completed deals was just over \$27bn—a new high for the MT50, and around 92% higher than FY23. Deal volumes increased by 81%. Whitehaven Coal, Westgold Resources and Vault Minerals (the new name of recently merged Red 5 and Silver Lake) completed transformative transactions during the year, with mining companies increasingly using M&A as a strategic tool to transform, create and/or maintain competitive advantage, and secure long-term growth.

Large gold transactions feature again this year as companies consolidate, transform and optimise portfolios. Expect to see these trends continuing.

Lithium deal value increased (driven by FY23 pending deals for Allkem and Azure Minerals), but the sharp turn in the lithium market caused a pause in deal activity following the frenzy early in the year which saw an overall decline in deal volumes. The future demand growth in the lithium market remains very strong. Rio Tinto’s proposed acquisition of Arcadium Lithium could play a role in restoring the confidence level of acquirers. There is also the potential for greater misalignment between buyer and seller expectations.



## Notable pending deals to be completed

- 1 Anglo American’s divestment of Australian coal assets (in progress)
- 2 Whitehaven sell down of Blackwater to Nippon Steel
- 3 Pilbara Minerals acquisition of Latin Resources
- 4 Paladin Energy to acquire Fission Uranium
- 5 Southern Cross Gold to merge with Mawson Gold

Total deal value

**\$27bn**

Deal volumes up

**81%**



## MT50 transactions (\$m)

	2018	2019	2020	2021	2022	2023	2024
Critical Minerals	645	1,401	1,423	2,161	7,641	12,717	16,053
Gold	208	2,364	3,458	7,850	1,668	986	3,912
Coal	230	860	-	-	1,983	435	6,828
Iron Ore	105	281	70	32	400	29	-
Other	184	72	-	84	260	-	399
<b>Total</b>	<b>1,372</b>	<b>4,978</b>	<b>4,951</b>	<b>10,127</b>	<b>14,167</b>	<b>15,200</b>	<b>27,192</b>



## Customer alignment

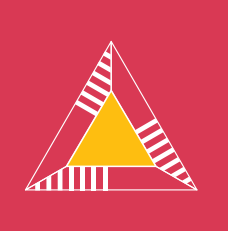
We continue to expect stronger commercial alignment between mining companies and customers, particularly for critical minerals, iron ore and metallurgical coal. In part, this will be driven by customers desiring greater product and price security. It's also about mining companies and downstream producers wanting to find a greater strategic role and share of value in product supply chains. This can take different forms including joint ventures (both resource and downstream activities) or other equity interests; offtake and financing arrangements; and collaborating and sharing of technology and/or intellectual property.

### MT50 completed transactions > \$1bn

Target	Buyer	Commodity	Value (\$bn)
Allkem	Livent	Lithium	10.3
Blackwater and Daunia metallurgical coal mines (BHP and Mitsubishi Development)	Whitehaven Coal	Coal	6.5
Alumina	Alcoa Corporation	Alumina	3.8
Azure Minerals	SQM/Hancock Resources	Lithium	1.7
Karora Resources	Westgold Resources	Gold	1.3
Silver Lake Resources	Vault Minerals	Gold	1.2



# Tax and incentives alignment



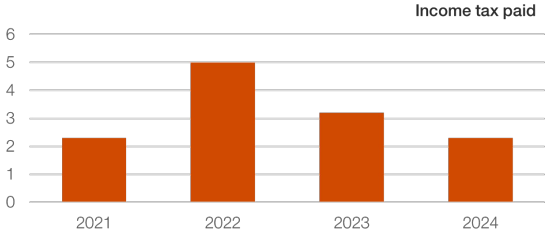
Mining companies make substantial contributions to government budgets at both state and national levels. Income tax payments from the MT50 totalled \$2.3bn. (Albeit this was lower than the FY23 record level due to the decrease in profitability.)

In Aussie Mine 2023: Critical choices, we asked for greater incentives for companies to invest in critical minerals projects and downstream activities. There is a clear benefit to Australia if we get the policy settings right. We also challenged our governments to adopt an investment lens, given the potential for very significant additional contributions to government revenue from critical minerals. But only with the right policies and support.



## Critical Minerals Production Tax Incentive

The proposed Critical Minerals Production Tax Incentive, announced in the 2024 budget, is a positive development to support investment in downstream processing of critical minerals in Australia. The incentive is a refundable tax offset, valued at 10% of processing and refining costs, for up to 10 years. Notably absent from the proposed incentive is any form of relief for the capital expenditure required in setting up the downstream processing facility. By comparison to other globally available incentives, much more could be done to accelerate Australia’s critical minerals potential. We are waiting on final details of this incentive following a brief consultation period.



## Will the Safeguard Mechanism achieve alignment?

The Australian Federal Government has set legislated targets to reduce net emissions by 43% by 2030 and achieve net zero by 2050. To support this target, the government introduced the Safeguard Mechanism reform.

For higher carbon industrial facilities, this mechanism mandates a baseline of allowable emissions for each facility, acting as an annual ceiling for permitted CO2 emissions. Facilities that decarbonise or emit below this ceiling may generate tradable Safeguard Mechanism Credits (SMCs). Facilities exceeding the ceiling must surrender SMCs or Australian Carbon Credit Units (ACCUs) to offset the excess emissions, either by generating their own or purchasing them from the market or the regulator.

This mechanism ensures that facilities exceeding their baseline emissions must either reduce emissions or purchase carbon credits to ‘pay’ for their excess, incentivising tangible decarbonisation and providing a degree of certainty over the future cost of emissions to an organisation. The baseline for each facility will reduce over time, meaning facilities must continually reduce emissions to avoid exceeding their baseline.

Two scenarios illustrate the impact of this mechanism:

**1** The ‘do-nothing’ scenario reflects no change in the facility’s emissions profile relative to the declining baseline. As time continues, the cost of carbon (via the purchasing of SMCs or ACCUs) continues to grow.

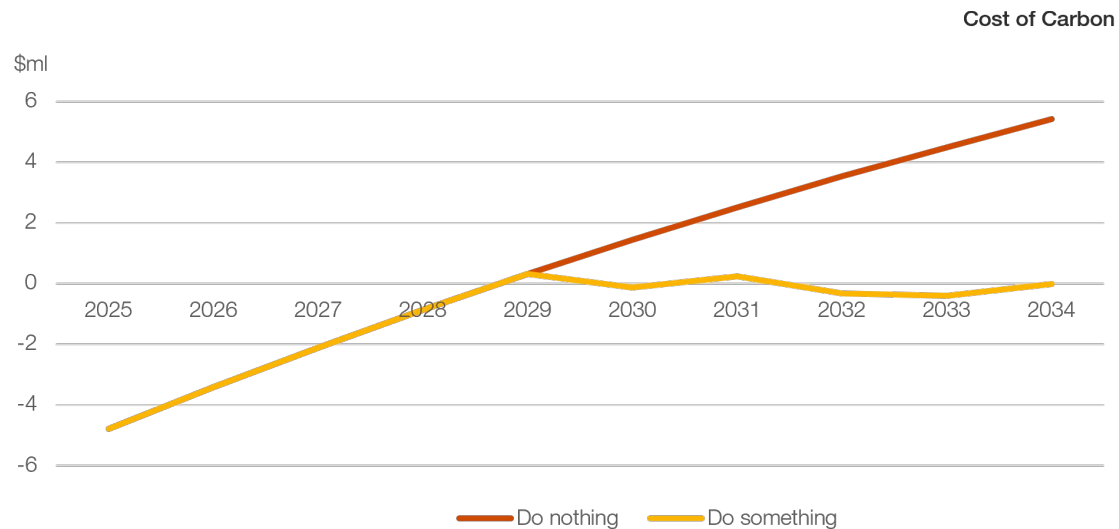
**2** Whereas the ‘do-something’ scenario reflects endeavours to reduce the facility’s emissions at a rate similar to the reduction in the baseline (around 5% p.a.), with the annual cost of carbon remaining significantly lower.

Both scenarios presented here initially generate excess credits, which can be sold or retained for future use. From 2029, decarbonisation efforts result in net real reductions in emissions, ultimately preserving cash flow.

The diagram does oversimplify the costs of decarbonisation, excluding upfront investments and research and development expenses. But it shows that doing nothing on climate action means a steep increase in carbon costs in the future.

However, the question remains: Is the risk of future carbon costs enough to drive the legislated decarbonisation target? The Safeguard Mechanism applies to facilities that emit more than 100,000 tonnes of carbon dioxide equivalent (CO2-e) per year. In 2023, this included approximately 219 facilities, totalling approximately 138.7m tonnes per annum of CO2-e, or around 30% of Australia's total emissions.

Given the Safeguard Mechanism currently applies to only 30% of Australia's annual emissions, and only applies to large facilities and their operators, the question remains as to how the government will incentivise decarbonisation for the other 70% (including sectors currently out of scope). Perhaps the mechanism will be expanded to capture facilities at a lower emissions threshold. Or will a separate pricing mechanism be introduced to capture targeted hard to abate industries regardless of scale? Either way, carbon taxation doesn't appear to be going anywhere.



## Decarbonisation and economic returns

Decarbonising the global economy requires massive capital expenditure on developing lower carbon energy solutions and reducing emissions from existing industrial activities. These investments often have long payback periods and uncertain returns.

Australia's Safeguard Mechanism is largely a cost levied on higher carbon industries and acts as an additional regulatory push for decarbonisation investment. Such measures (and additional tax or other incentives) are likely required for industries and processes with harder to abate emissions, or the costs involved are very high. International carbon pricing (via measures such as the EU Carbon Border Adjustment Mechanism) will also push impacted industries (including steel and aluminium) to reduce emissions, or otherwise not be competitive.

While we recognise the political sensitivities, a more balanced position could be to provide additional incentives for investment in these areas. Limited timeframe incentives (for example financial support, accelerated tax depreciation, capital expenditure (capex) tax offsets, and/or debt funding) could bring forward planned spending to help increase the rate of decarbonisation. Accelerating the decarbonisation rate for the next 10 years is critically important if we want to limit global warming.





# Financial analysis MT50

## Market capitalisation

**\$139bn**

\$0.0bn 0%

## Revenue

**\$52.2bn**

\$5.7bn 10%

## EBITDA

**\$18.0bn**

\$10.6bn 37%

## Operating cash flows

**\$13.7bn**

\$9.3bn 40%

## Dividends paid

**\$3.8bn**

\$1.6bn 29%

## Capex

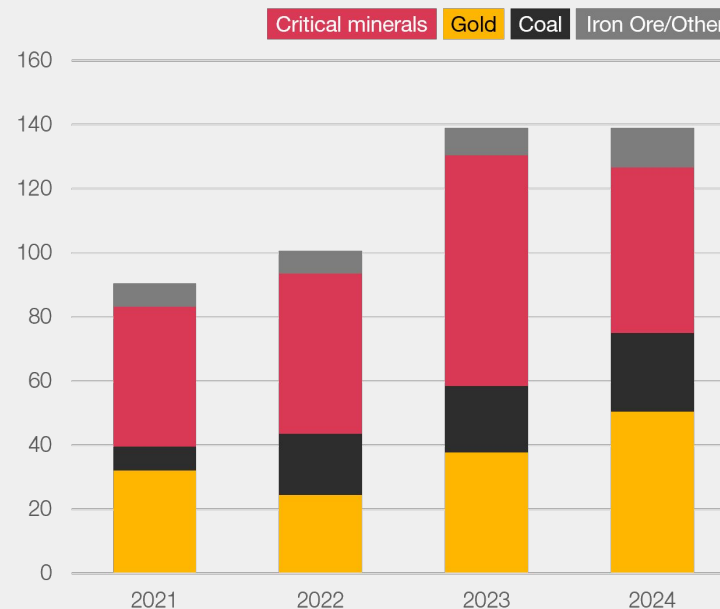
**\$14.7bn**

\$4.3bn 42%

## Market capitalisation: Value alignment?

The value of the MT50 remained remarkably consistent in 2024 at \$138.9bn, although market capitalisation remains \$38.7bn higher than 30 June 2022. The value of gold and coal companies increased—particularly gold, on the back of record gold prices. However, the sharp change in the lithium market had a significant impact on the market capitalisation of critical minerals companies, which were much lower.

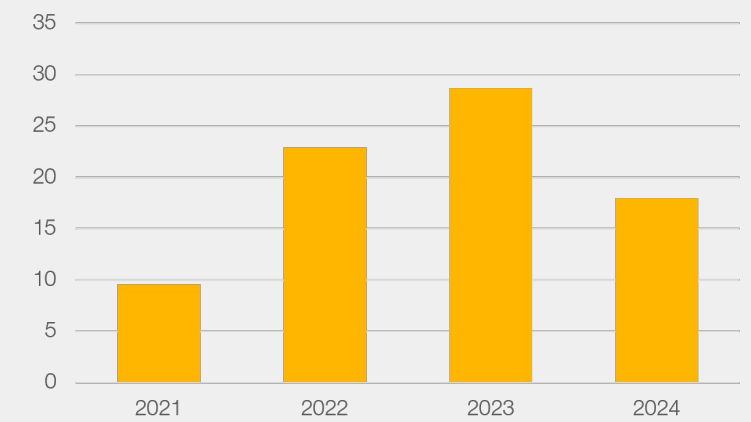
MT50 market capitalisation by commodity



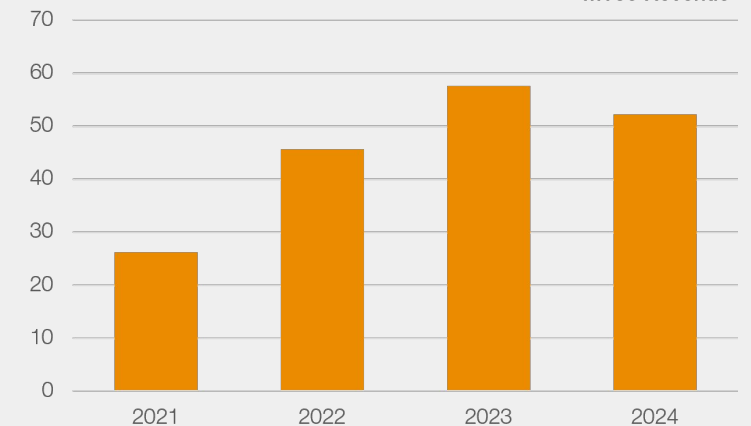
## Overall fall in revenue and earnings

Lower lithium and coal prices have significantly impacted revenues and earnings, reversing the four-year trend of annual increases. It should be noted that FY23 revenue and earnings reflected the impact of record lithium and coal prices that year. Return on equity fell significantly to 7.5%, closer to the long-term average, and well below the returns observed in the previous two years.

MT50 EBITDA



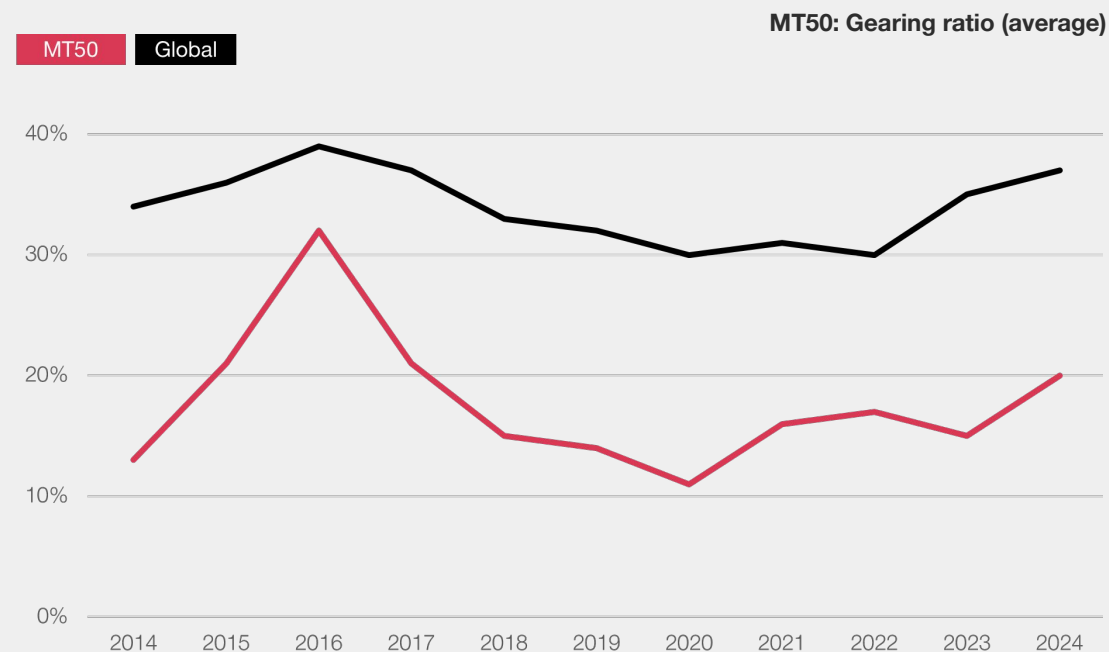
MT50 Revenue



	2022	2023	2024
<b>Earnings</b>	<b>\$bn</b>	<b>\$bn</b>	<b>\$bn</b>
Revenue	45.6	57.9	52.2
EBITDA	22.9	28.7	18.0
Net profit	10.6	13.2	4.5
Adjusted net profit	11.6	15.0	5.5
<b>Financial position</b>	<b>\$bn</b>	<b>\$bn</b>	<b>\$bn</b>
Assets	97.6	106.6	126.0
Liabilities	38.9	37.1	49.5
Equity	58.7	69.5	76.5
Cash	17.2	18.9	15.4
Borrowings	14.3	11.0	15.3
Net cash	2.9	7.9	0.1
Gearing	24%	16%	20%
<b>Profitability measures</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
EBITDA margin	50%	49%	34%
Return on equity	22.4%	23.5%	7.5%
Return on capital employed	18.3%	19.4%	6.2%

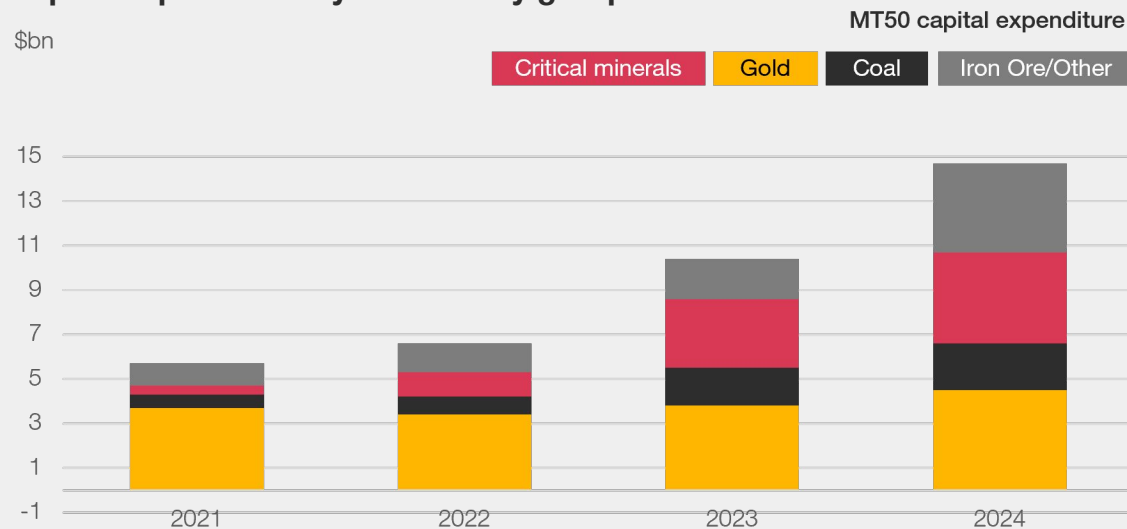
## Investment plans still at the forefront

Despite the overall lower cash balance across the MT50, the group's total capital spend increased by 42% to \$14.7bn in 2024. The impact of cash decreasing and borrowings increasing translates into a 99% fall in net cash to \$0.1bn. Gearing has also climbed to levels we haven't seen for several years.



	2022	2023	2024
<b>Cashflows</b>	<b>\$bn</b>	<b>\$bn</b>	<b>\$bn</b>
<b>Operating cash flows</b>	<b>18.0</b>	<b>23.0</b>	<b>13.7</b>
Capital expenditure	(6.6)	(10.4)	(14.7)
Cash acquisitions	(7.1)	(1.0)	(4.0)
<b>Net investing cash flows</b>	<b>(12.1)</b>	<b>(11.8)</b>	<b>(20.7)</b>
Net debt (repaid)/issued	2.5	(5.2)	3.8
Cash from share issues	4.6	2.7	4.2
Dividends	(3.3)	(5.4)	(3.8)
<b>Net financing cash flows</b>	<b>3.1</b>	<b>(10.2)</b>	<b>3.2</b>

### Capital expenditure by commodity group

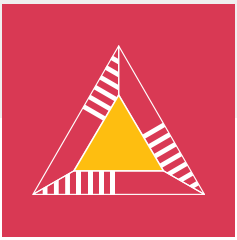


### Gold is the shiniest in FY24

The MT50 cash position changed very significantly in FY24, reflecting lower earnings, as well as higher spending on capital and acquisitions.

Operating cash flows fell significantly. While coal companies generated nearly half of the MT50 FY23 operating cash flows, this badge shifted to gold companies in FY24, with almost 50% of MT50 operating cash flows coming from gold.





# Financial analysis Gold



## Market capitalisation

**\$50.5bn** ↑  
\$12.8bn 34%

## Revenue

**\$17.2bn** ↑  
\$3.6bn 27%

## EBITDA

**\$7.2bn** ↑  
\$2.3bn 47%

## Operating cash flows

**\$6.7bn** ↑  
\$2.5bn 57%

## Dividends paid

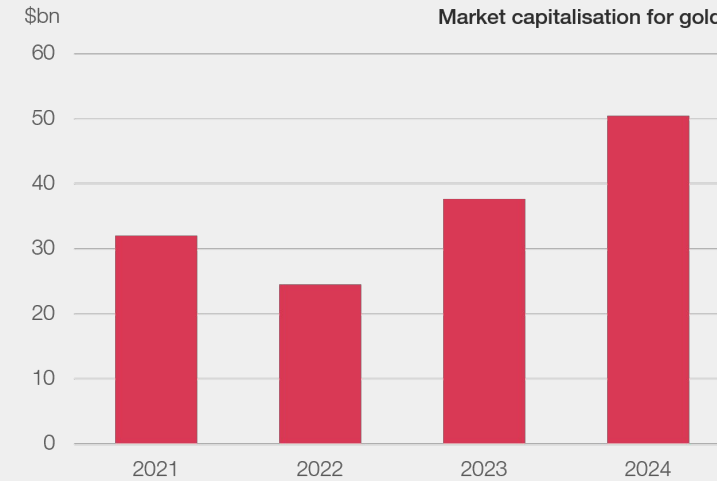
**\$0.5bn** ↑  
\$0.08bn 19%

## Capex

**\$4.5bn** ↑  
\$0.7bn 18%

## Market capitalisation

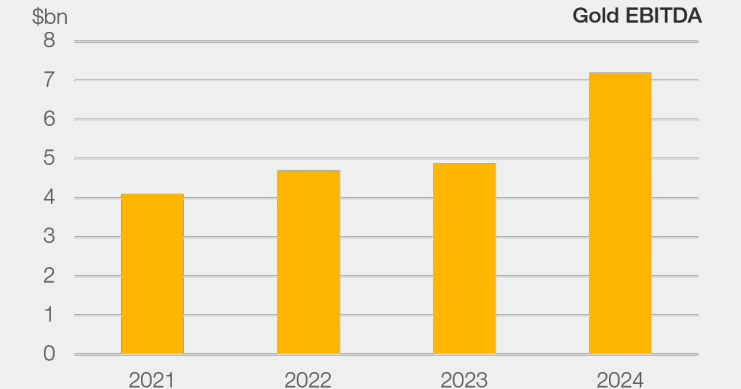
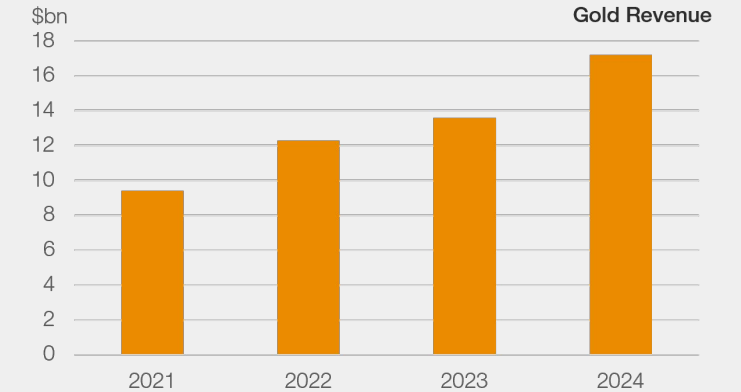
The market sentiment for gold miners in the MT50 improved significantly. This is evident by the 34% increase in total market capitalisation of MT50 gold companies to \$51bn in 2024 compared to 2023. This value is more than twice the level seen only two years ago.



## Revenue tops the charts

Many MT50 gold companies have grown in recent years through acquisition and expanding operations. The resulting higher production coincided with this year's higher prices to increase earnings significantly.

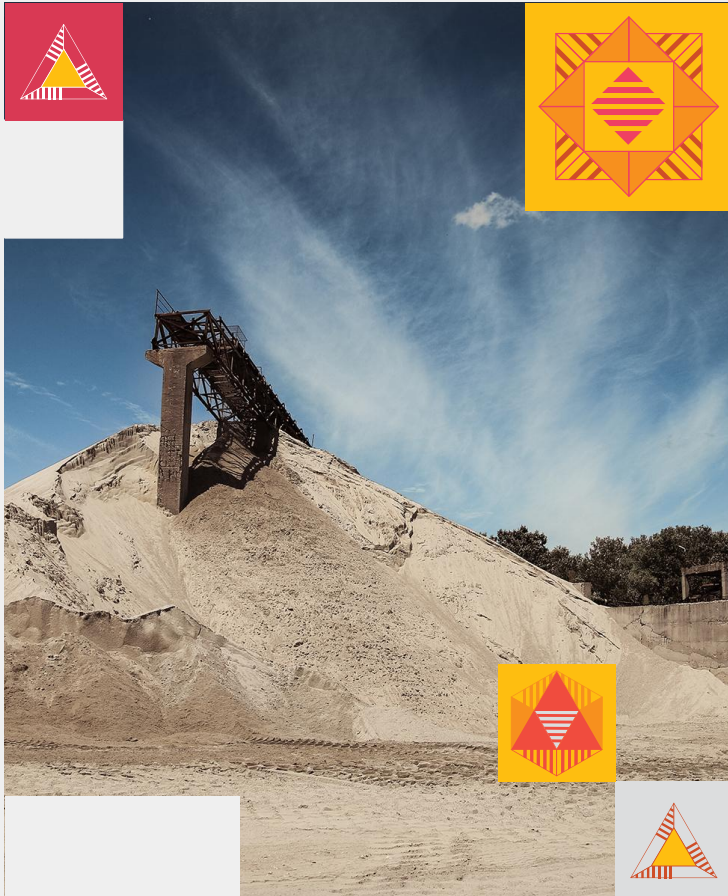
Uncertainties in the global economy, as well as global inflation and a strong US dollar are seen as contributing factors to the higher gold price. Total production reached 5.5Moz in 2024—a 7.7% increase compared to 2023. Ongoing investment on expansion projects mean further production increases are likely into 2025.





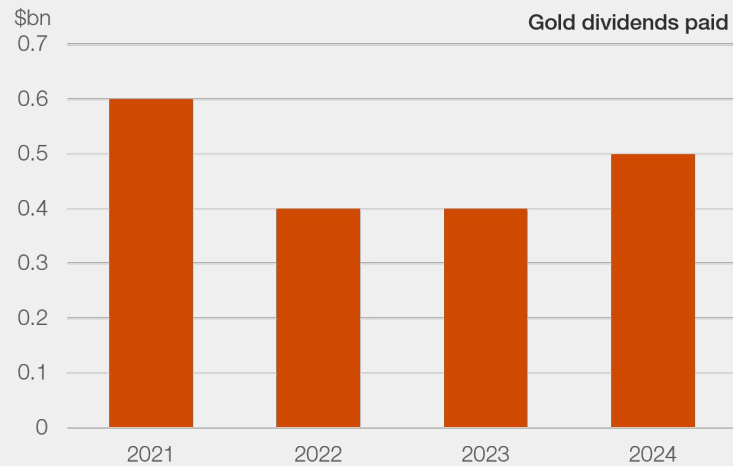
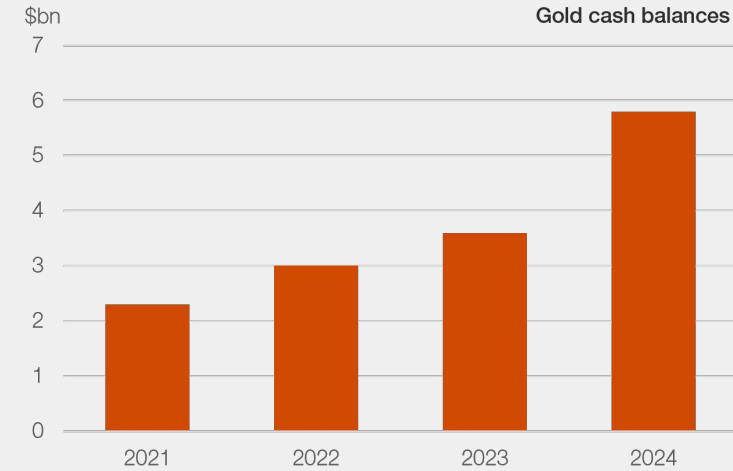
## Earnings and margins rise

MT50 gold companies achieved a 47% increase in earnings. Unsurprisingly, given the gold price, margins have also improved significantly. The EBITDA margin in FY24 was 42%, up from 36% the previous year. Costs were also generally higher, but at a much lower rate than in FY23.



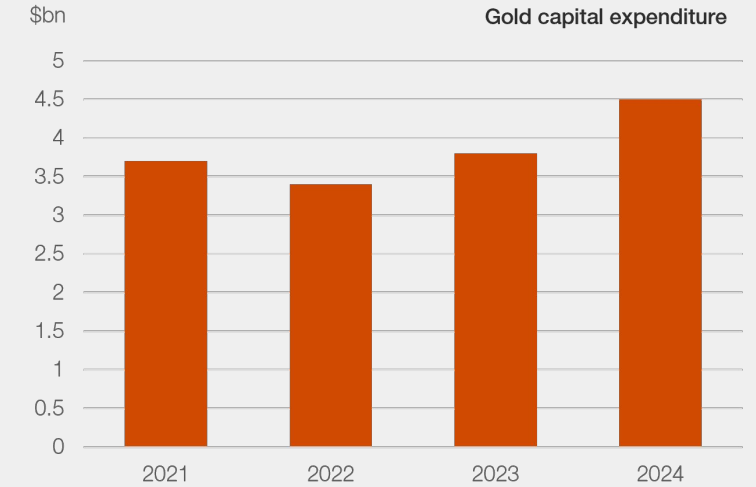
## Liquidity is golden

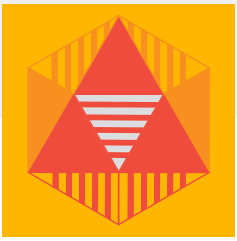
Operating cash flows in FY24 were \$6.7bn, an increase of 57%, and dividends are also increasing. The level of debt is largely unchanged; however, cash balances have crept up to a relatively high level.



## Capital and growth at the forefront

The gold sector continues to be (largely) in growth mode with increased capital spending of \$4.5b—an 18% increase. There are several development and expansion projects in the MT50 gold pipeline.





# Financial analysis Critical minerals



## Market capitalisation

**\$51.7bn**

\$20.3b 28%



## Revenue

**\$9.6bn**

\$3.4b 26%



## EBITDA

**\$3.3bn**

\$5.2b 62%



## Operating cash flows

**\$2.1bn**

\$4.9b 70%



## Dividends paid

**\$1.4bn**

\$0.07b 5%



## Capex

**\$4.1bn**

\$1.0b 31%

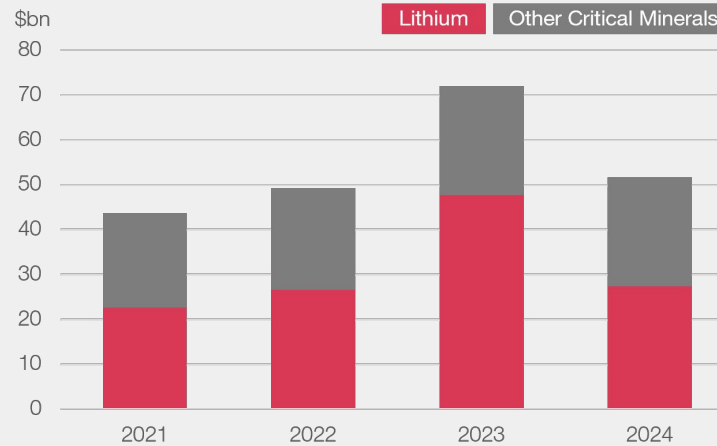


## Market capitalisation

The critical minerals sector lost its dominant position in the MT50 this year. Critical minerals represented 52% of the 2023 MT50 value, but this share has fallen to 37% in 2024.

The market capitalisation of the critical minerals companies decreased by 28% in aggregate, largely reflecting the sharp change in the lithium market. Sandfire Resources (copper), Nickel Industries (nickel), Alumina (aluminium) and Jupiter Mines (manganese) were the only critical minerals producers to record a year-on-year market value increase.

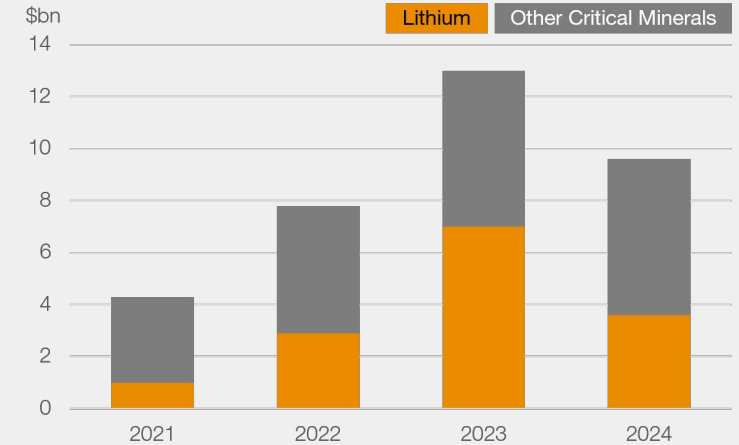
Critical minerals market capitalisation



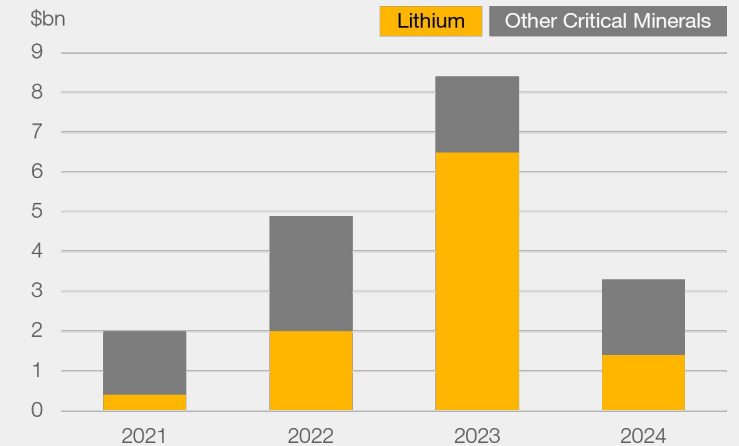
## Lithium's sharp market reversal and short-term oversupply

The lithium companies experienced a significant revenue decline of 49%, from \$7bn to \$3.6bn, accompanied by a 79% decrease in EBITDA. This sharp downturn starkly contrasts with the previous year's substantial earnings growth, which was due to record-high pricing. In FY24, the lithium market suffered short-term oversupply, dramatically shifting prices.

Critical minerals revenue

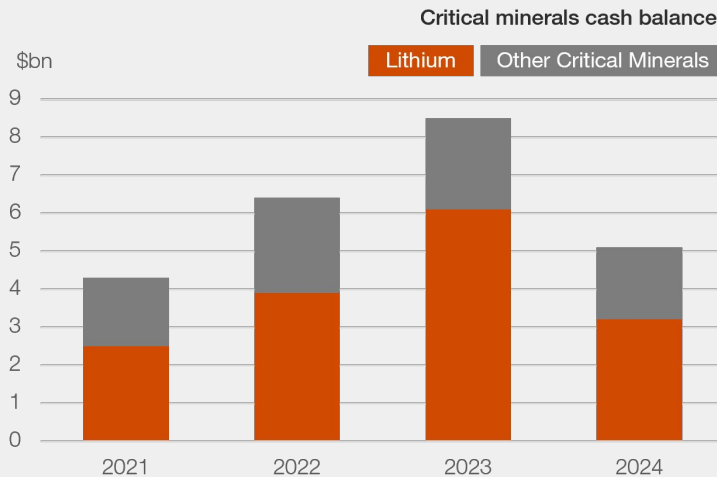
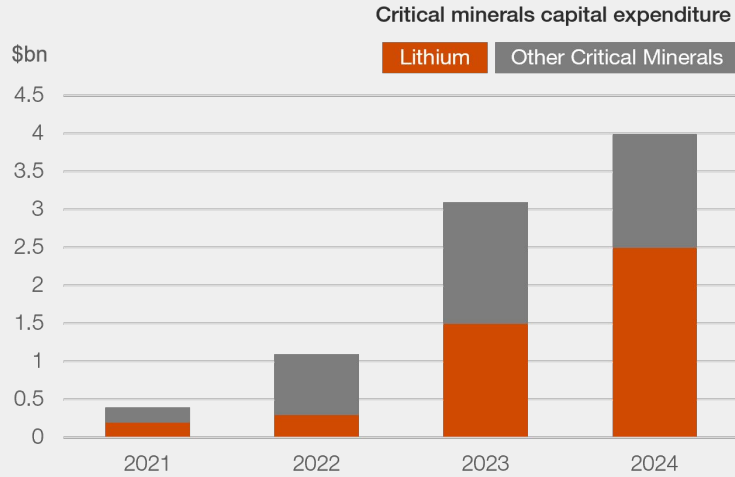


Critical minerals EBITDA



## Ongoing investment

Capital expenditure for lithium increased from \$1.5bn to \$2.5bn, while a decrease was observed for other critical materials (\$1.6bn to \$1.5bn). This indicates a cautious strategic adjustment.

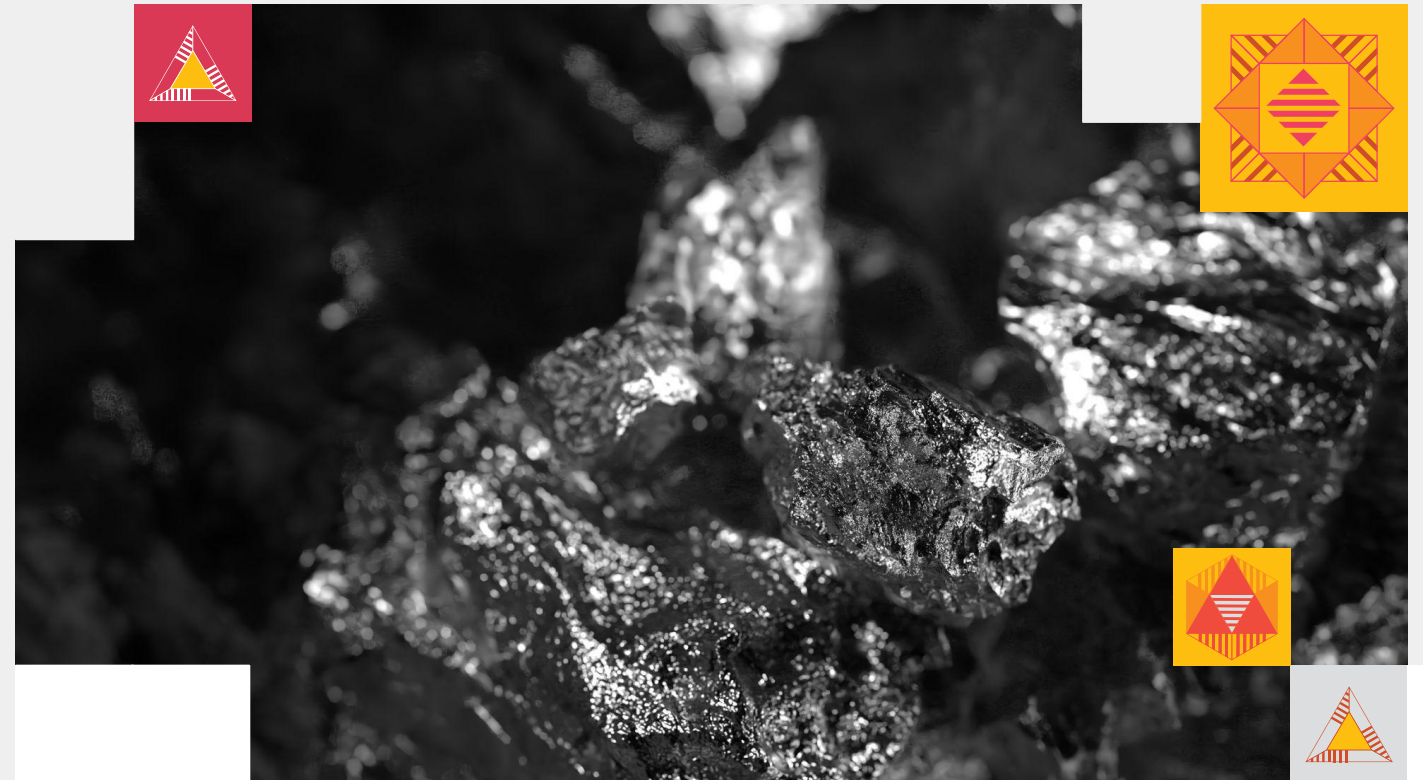


## Lithium's (two-year) roller coaster ride

The lithium market fundamentals turned sharply in 2023 due to oversupply. (Expectations for lithium previously ranged from a relatively small deficit to slight oversupply.) A large supply increase, combined with lower growth in demand, turned the price dial from near-record highs in early 2023 to substantially lower levels by the end of the year.

However, it's important to remember that we are still talking about increases in both demand and supply. Lithium demand is not falling or flatlining; it's merely rising less spectacularly than before.

Moreover, lithium demand will continue to increase significantly as it's an important mineral for energy storage and EVs. All future decarbonisation rate scenarios entail a significant primary supply deficit in lithium. Demand growth might have slowed, but not for long.





# Financial analysis

## Coal



**Market capitalisation**  
**\$24.4bn** ↑  
 \$3.8b 18%

**Revenue**  
**\$20.6bn** ↓  
 \$7.1b 26%

**EBITDA**  
**\$6.4bn** ↓  
 \$8.0b 56%

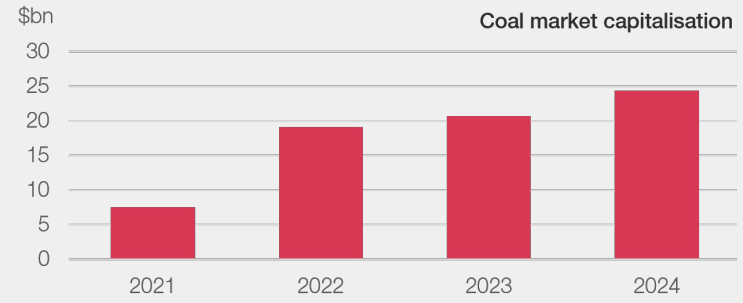
**Operating cash flows**  
**\$3.8bn** ↓  
 \$7.6b 66%

**Dividends paid**  
**\$1.8bn** ↓  
 \$1.6b 47%

**Capex**  
**\$2.1bn** ↑  
 \$0.5b 27%

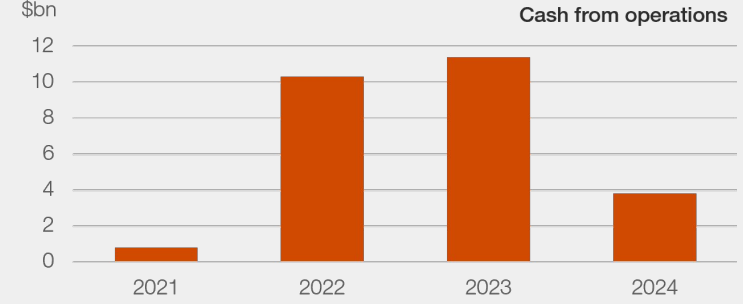
### Market capitalisation

The market capitalisation of coal companies increased this year despite declines in both revenue and EBITDA. Market capitalisation has increased threefold in the past three years, from \$7.5bn in 2021 to \$24.4bn in 2024. The EBITDA multiple notably increased from 1.4x in 2023 to 3.8x in 2024, reflecting a shift in market perception. However, this relatively low multiple means investors are still uncertain of future coal prices and earnings.



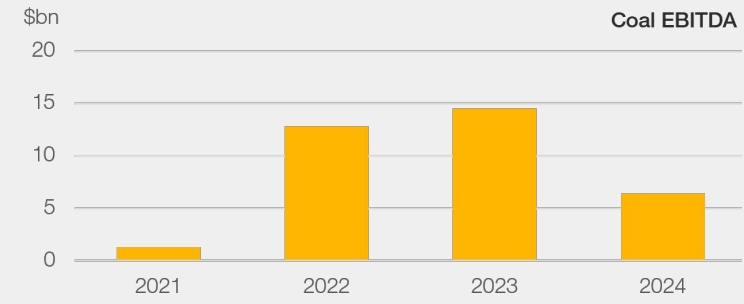
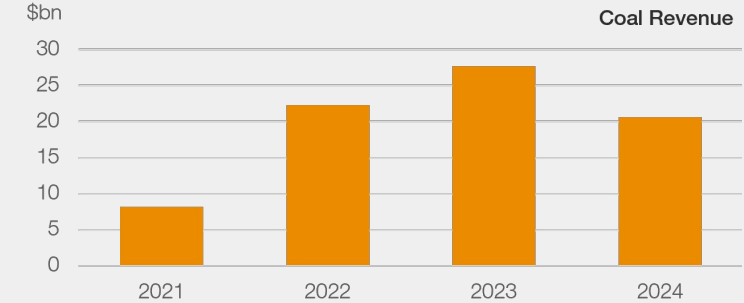
### Future-focused cash strategy

Coal companies are strategically conserving cash with short-term acquisition opportunities. Operating cash flows reduced sharply in FY24, from \$11.4bn to \$3.8bn, and dividends were reduced from \$3.3bn to \$1.8bn.



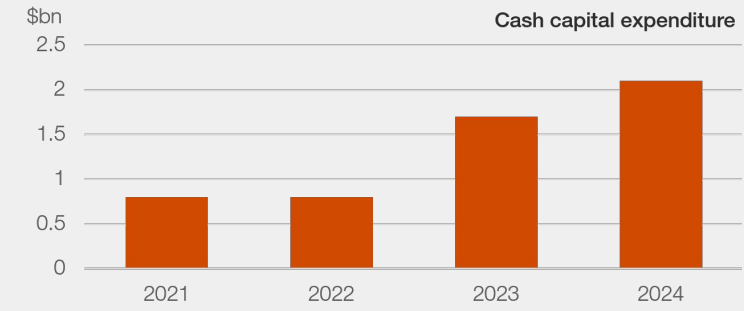
### Prices retreat

Coal prices have retreated from record levels for both metallurgical and thermal coal. This naturally impacts both revenue (down from \$27.7bn to \$20.6bn) and earnings (down from \$14.5bn to \$6.4bn).



### Fiscal resilience: Coal firms boost capex

Coal companies' capital expenditures increased by \$0.4bn to \$2.1bn—a combination of growth and sustained capex.

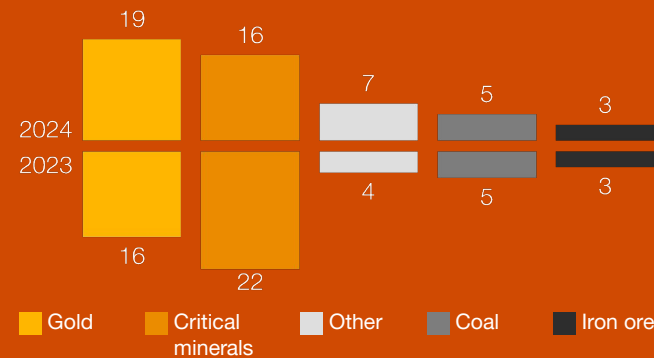




# Who are the MT50?

The MT50 comprises the largest Australian listed mining companies (by value), excluding the Australian-based global mining companies included in PwC's global mining analysis. While these companies have a significant Australian footprint, their global exposure and size mean that they do not necessarily reflect trends in the Australian mining environment.

## MT50 constituents



2024 Rank	Change in rank	Company name	Producer	Primary commodity	Market capitalisation	
					30 June 2024 (\$bn)	Change 2023 to 2024
1	+1	Northern Star Resources Limited (ASX:NST)	✓	Gold	14.93	7%
2	+1	Mineral Resources Limited (ASX:MIN)	✓	Critical minerals (& iron ore)	10.52	-24%
3	-2	Pilbara Minerals Limited (ASX:PLS)	✓	Critical minerals	9.24	-37%
4	+4	Yancoal Australia Ltd (ASX:YAL)	✓	Coal	8.74	45%
5	+4	Evolution Mining Limited (ASX:EVN)	✓	Gold	6.95	18%
6	+4	Whitehaven Coal Limited (ASX:WHC)	✓	Coal	6.40	14%
7	-1	Lynas Rare Earths Limited (ASX:LYC)	✓	Critical minerals	5.54	-13%
8	+5	Alumina Limited (ASX:AWC)	✓	Critical minerals	4.92	22%
9	-5	IGO Limited (ASX:IGO)	✓	Critical minerals	4.26	-63%
10	+2	New Hope Corporation Limited (ASX:NHC)	✓	Coal	4.13	0%
11	+3	Sandfire Resources Limited (ASX:SFR)	✓	Critical minerals	3.99	48%
12	+9	Paladin Energy Ltd (ASX:PDN)	✓*	Other	3.72	71%
13	+2	Nickel Industries Limited (ASX:NIC)	✓	Critical minerals	3.43	28%
14	+6	Perseus Mining Limited (ASX:PRU)	✓	Gold	3.23	43%
15	+4	Stanmore Resources Limited (ASX:SMR)	✓	Coal	3.19	37%
16	-5	Iluka Resources Limited (ASX:ILU)	✓	Critical minerals	2.80	-41%
17	+5	De Grey Mining Limited (ASX:DEG)		Gold	2.73	30%
18	+24	Vault Minerals Limited (ASX:VAU)	✓	Gold	2.45	273%
19	+13	Emerald Resources NL (ASX:EMR)	✓	Gold	2.32	90%
20	-13	Liontown Resources Limited (ASX:LTR)		Critical minerals	2.19	-65%

\* New producer in 2024

## Key changes

### Leavers

- Grange Resources Limited (ASX:GRR)
- Arafura Rare Earths Limited (ASX:ARU)
- Sayona Mining Limited (ASX:SYA)
- Syrah Resources Limited (ASX:SYR)
- ioneer Ltd (ASX:INR)
- Core Lithium Ltd (ASX:CXO)
- Argosy Minerals Limited (ASX:AGY)
- Allkem Limited (ASX:AKE) (Merger with Livent)
- Leo Lithium Limited (ASX:LLL) (shares suspended)
- Silver Lake Resources Limited (ASX:SLR) (Merger with Red 5)
- Azure Minerals Limited (ASX:AZS) (acquired)

### New and returning entrants

- WA1 Resources Ltd (ASX:WA1)
- Spartan Resources Limited (ASX:SPR)
- Brazilian Rare Earths Limited (ASX:BRE)
- BCI Minerals Limited (ASX:BCI)
- Lotus Resources Limited (ASX:LOT)
- Ora Banda Mining Limited (ASX:OBM)
- Pantoro Limited (ASX:PNR)
- Jupiter Mines Limited (ASX:JMS)
- Bannerman Energy Ltd (ASX:BMN)
- Southern Cross Gold Ltd (ASX: SXG)
- Red Hill Minerals Limited (ASX:RHI)

### Name changes

- Red 5 Limited (ASX:RED) became Vault Minerals Limited (ASX:VAU) after the recent merger between Red 5 and Silver Lake Resources Limited (ASX:SLR)

2024 Rank	Change in rank	Company name	Producer	Primary commodity	Market capitalisation	
					30 June 2024 (\$bn)	Change 2023 to 2024
21	+10	Ramelius Resources Limited (ASX:RMS)	✓	Gold	2.19	76%
22	-5	Deterra Royalties Limited (ASX:DRR)	✓	Iron Ore	2.11	-13%
23	+4	Bellevue Gold Limited (ASX:BGL)	✓*	Gold	2.10	46%
24	-8	Coronado Global Resources Inc. (ASX:CRN)	✓	Coal	1.99	-23%
25	+4	Genesis Minerals Limited (ASX:GMD)	✓	Gold	1.97	47%
26	-1	Gold Road Resources Limited (ASX:GOR)	✓	Gold	1.85	16%
27	-1	Capricorn Metals Ltd (ASX:CMM)	✓	Gold	1.80	19%
28	+5	Boss Energy Limited (ASX:BOE)	✓*	Other	1.69	55%
29	+6	West African Resources Limited (ASX:WAF)	✓	Gold	1.65	87%
30	-2	Regis Resources Limited (ASX:RRL)	✓	Gold	1.33	-4%
31	+17	Deep Yellow Limited (ASX:DYL)		Other	1.30	127%
32	New	WA1 Resources Ltd (ASX:WA1)		Critical minerals	1.18	279%
33	+7	Westgold Resources Limited (ASX:WGX)	✓	Gold	1.15	68%
34	+2	Resolute Mining Limited (ASX:RSG)	✓	Gold	1.11	33%
35	New	Spartan Resources Limited (ASX:SPR)		Gold	1.09	626%
36	+5	Energy Resources of Australia Ltd (ASX:ERA)		Other	0.71	7%
37	+2	Vulcan Energy Resources Limited (ASX:VUL)		Critical minerals	0.71	1%
38	New	Brazilian Rare Earths Limited (ASX:BRE)		Critical minerals	0.71	Newly listed
39	New	BCI Minerals Limited (ASX:BCI)	✓	Other	0.63	118%
40	New	Lotus Resources Limited (ASX:LOT)	✓	Other	0.62	150%
41	New	Ora Banda Mining Limited (ASX:OBM)	✓	Gold	0.62	194%
42	Returning	Pantoro Limited (ASX:PNR)	✓	Gold	0.62	83%
43	Returning	Jupiter Mines Limited (ASX:JMS)	✓	Critical minerals	0.62	62%
44	-26	Chalice Mining Limited (ASX:CHN)		Critical minerals	0.55	-77%
45	-1	Develop Global Limited (ASX:DVP)		Critical minerals	0.53	-15%
46	New	Bannerman Energy Ltd (ASX:BMN)		Other	0.50	101%
47	+3	Mount Gibson Iron Limited (ASX:MGX)	✓	Iron Ore	0.50	-6%
48	-11	Latin Resources Limited (ASX:LRS)		Critical minerals	0.48	-42%
49	New	Southern Cross Gold Ltd (ASX: SXG)		Gold	0.45	437%
50	New	Red Hill Minerals Limited (ASX:RHI)		Iron Ore	0.42	49%

\* New producer in 2024

# 10 year trend



MT50 \$bn	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Market cap</b>	36.6	36.0	53.2	46.9	78.4	79.8	85.4	112.8	123.8	155.9	138.9
<b>Total revenue</b>	23.8	28.7	23	16.8	23.5	30.4	30.1	32.8	52.7	60.9	52.2
<b>EBITDA</b>	5	6.7	8.8	6.1	8.7	11.7	10.0	12.0	23.4	30.4	18.0
<b>Net profit</b>	-1.7	-5.4	1.6	1.7	4.8	5.5	3.3	2.6	11.0	15.4	4.5
<b>Operating cash flow</b>	4.4	4.6	7.3	5.3	7.7	10.4	9.6	10.1	19.4	24.6	13.7
<b>Impairment</b>	1.7	5.4	1.0	0.9	0.1	0.5	1.6	2.9	1.0	2.3	1.0
<b>Net assets</b>	35.3	35	36.6	29.7	38.5	44.9	47.4	57	64.1	77.9	76.5
<b>Dividends paid</b>	0.6	0.5	0.8	0.6	1.5	2.8	2.3	1.6	3.7	4.8	3.8
<b>Average ROE (%)</b>	0.03	0.20	7.47	9.29	13.64	14.10	5.84	7.23	20.0	19.82	7.5
<b>Average ROCE (%)</b>	1.93	0.20	2.12	4.59	6.94	7.16	9.37	14.05	16.23	17.88	6.2

# Glossary



Terms	Definition
<b>Capital employed</b>	Property, plant, equipment, and mining assets, plus current assets less current liabilities.
<b>Capital expenditure (capex)</b>	Purchases of property, plant, equipment and mining assets, plus exploration expenditure.
<b>Critical minerals</b>	Minerals that are considered essential to the economy, and which have potential supply risks, including cobalt, copper, lithium, magnesium, manganese, mineral sands (titanium, zirconium), nickel, and rare earth elements (REE). This year we have added copper as a critical mineral given its significant role in electrification and potential future supply challenge.
<b>EBIT, adjusted EBIT</b>	Earnings (profit) before interest and tax. Adjusted EBIT excludes the impact of impairments and one-off gains/losses.
<b>EBITDA</b>	Earnings before interest, tax, depreciation, amortisation and impairments.
<b>EBITDA margin</b>	EBITDA divided by revenue.
<b>Gearing ratio</b>	Borrowings (excluding lease liabilities) divided by equity.
<b>Market capitalisation</b>	The market value of the equity of a company, calculated as the share price multiplied by the number of shares outstanding.
<b>Mid-tier 50 (MT50)</b>	The 50 largest Australian listed mining companies (by value) excluding the Australian-based global mining companies included in PwC's global mining analysis. While these companies have a significant Australian footprint, their global exposure and size mean that they do not necessarily reflect trends in the Australian mining environment.
<b>Net borrowings</b>	Total borrowings (excluding lease liabilities) less cash.
<b>Net profit</b>	Net profit after tax. Adjusted net profit excludes the impact of impairment and other non-recurring one-off gains/losses.
<b>Net profit margin</b>	Net profit divided by revenue.
<b>Return on capital employed (ROCE)</b>	Net profit excluding impairment divided by average capital employed.
<b>Return on equity (ROE)</b>	Net profit divided by average equity.



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