

Mining Portfolio Modelling

Mining & Resources

Forecast developed a model enabling the client to prioritise portfolio assets leading to an increased focus on near-cash assets, strategic exploration plans for valuable longer-term assets, and elimination of low value or low probability assets.



Client

Our client is a UK based public company with a portfolio of mining exploration assets in Australia and Argentina, and mineral processing technology focused on battery materials.

Purpose

Our client required a strategic options model to forecast the development and operations of each of the portfolio assets and consolidate to a group view. The model was used to prioritise the development of assets within the portfolio and assist in negotiations with investors and JV partners.

The key requirements included:

Modular Asset Calculations: The model allowed for 25 assets with different time-frames, investment levels, minerals processed, volumes pricing, and operating costs.

Consolidation: Group level integrated financial statements with the ability to switch on/off individual assets and allowance for JV interests on each asset.

Scenarios: Ability to stress test key variables and easily compare results through the model outputs.

Valuation: Forecast worked with the client to triangulate future share price targets using DCF, P/E Multiple, and EBITDA Multiple methods.

Outputs: Executive summary and dashboard format reports illustrating the key model outcomes. Reporting at the asset, geography, mineral type, and group levels.

Approach

Forecast worked closely with the client's Directors and advisors to understand the key parameters of the portfolio assets and the driving factors for future cash flows and valuation. We then developed a simple yet comprehensive portfolio model where each asset was effectively a module. We assisted our client to populate the model assumptions and presented the outputs to key stakeholders including prospective investors.

Outcome

The model enabled the client prioritise the portfolio assets leading to increased focus on near-cash assets, strategic exploration plans for valuable longer-term assets, and elimination of low value or low probability assets. The model also provided a view of valuation on the individual assets and the company which helped with capital raise and share price determination..

Get in touch:
info@forecast.global
forecast.global