

Deal Trends: Mining and Metals

Will McDonald shares insights on the trends shaping dealmaking in the **Mining and Metals sector**—and what to watch in the months ahead.

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Will advises strategic and private equity clients on public and private M&A and corporate finance transactions, with a particular focus on complex, cross-border M&A. He advises across multiple industries, including mining and minerals, aerospace and defense, real estate, industrials, and consumer.



DEAL ACTIVITY

What's driving deal activity in the sector right now?

Global demand for critical minerals is driving a significant pipeline of deals in this sector. Globalization is certainly not over, but the shifting geopolitical picture is creating strategic challenges for both the consumers and the owners of critical minerals.

DEAL HEADWINDS

What's slowing or complicating dealmaking?

The headwinds are not sector-specific; they are across the board at the moment. This is an increasingly turbulent world in which traditional alliances are being questioned, and the strategic partnerships that companies have relied on are under pressure. That gives any acquirer pause for thought, but it also creates opportunity and demand where there had not previously been any. Deals are taking longer to come together, with valuation continuing to be negotiated through diligence and into the execution phase of a deal. The hunt for value is increasing tolerance for complexity in structure and execution. It can simply take time to make all the pieces fit together.

Activism is still an ongoing concern, so deals require more careful planning and execution, which slows the process further.

And as with any mining or metals deal, much of the challenge, and much of the interest, lies in regulatory and governmental consent. In a world where politics and law collide more than they once did, getting ahead of that regulatory and governmental analysis and involving the right people across the firm as early as possible are central both to advising the client properly and to achieving deal success.

DEAL OUTLOOK

What should dealmakers expect over the next 6–12 months, and what could shift that outlook?

Volumes of mining and minerals M&A fell in the first half of this year, whether as a consequence of Trump administration policy, the Iran war, or both. The consensus view is that critical minerals will continue to be a focus in the second half, with transactional activity anticipated to pick up in the near term. I also think gold is going to be of investor interest, particularly as a safe-haven asset. I anticipate there will also be an increase in the vertical integration of existing mining businesses to form consolidated mining houses.

Of course, M&A dealmakers don't like uncertainty, and the deal outlook could be significantly impacted by unforeseen events related to peace, war, and U.S. government policies. So far, the market has thrived notwithstanding that uncertainty, but stability in the oil price would help. Mining deals are very, very energy-dependent, so that stability is going to be important.

EXECUTING DEALS

What should corporates and sponsors be doing now to be transaction ready?

For businesses considering a potential deal in the near term, they should begin high-level open-source diligence as soon as possible—even before engaging advisers. The lead time for transactional due diligence has grown significantly. Getting a jump start on the process can potentially provide a suitor or seller with a first-mover competitive advantage.

At an early stage, that would mean open-source work: for a publicly listed target, reviewing public reports, filings, and announcements and, where possible, bringing technical advisers on board to conduct open-source technical surveys.