STIFEL

Metals and Mining Q&A:

UNEARTHING THE FUTURE

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Metals & Mining

Q: How is the current commodity cycle influencing capital markets and M&A activity in the metals and mining sector?

A: We are in the early stages of what we feel could be a sustained bull market in commodities – one that we think has the potential to become a favorable cycle. Capital markets have strengthened meaningfully, the cost of capital has decreased significantly across the sector, (from senior producers to junior explorers), and we are beginning to see increased participation from large generalist investment funds. This represents a significant shift in investor sentiment and a potential expansion to the capital available to the sector.

On the M&A side, the past 12–18 months have focused on portfolio rationalization. Senior producers have sold non-core, higher-cost assets to juniors better positioned to prioritize and unlock value from them. More recently, we have seen growing senior interest in acquiring junior developers. After more than a decade of underfunded exploration and development – and limited capital available to junior companies – the sector now faces a shortage of high-quality, near-term development assets. Seniors are dealing with depleting resource bases and must replenish their project pipelines to maintain production levels into the future. The sector remains quite fragmented, with many juniors advancing projects; greater consolidation would bring healthy discipline to capital allocation and what ultimately gets built. That dynamic should support sustained M&A activity for several years.

Q: Two of the most significant forces shaping the sector today are energy transition and AI. How are these trends shaping strategy and investment decisions?

A: These trends are creating strong structural tailwinds, particularly for copper and uranium.

Demand for copper is accelerating sharply from AI data centers, electrification, grid upgrades, and the broader energy transition, with EVs adding another major layer of consumption. Uranium is benefiting from the same energy demands as hyperscalers turn to nuclear for clean, reliable baseload power.

At the same time, new near-term copper supply remains a big question mark. After more than a decade of chronic underinvestment in exploration and development, the near-term supply pipeline is thin. Permitting is slow, and bringing new mines into production often takes 10-20 years from discovery. As a result, copper prices will ultimately need to rise significantly higher and sustain those levels to incentivize the capital investment required to meet future demand.

The resulting supply-demand imbalance is driving investor appetite for copper and uranium exposure. Capital is increasingly flowing toward producing companies and high-quality development assets with the potential to deliver credible, near-term supply. This dynamic is meaningfully reshaping deal flow and capital allocation across the sector.

Q: What trends are emerging as mining companies navigate the current market uncertainty, shifting economic conditions, and geopolitical pressures?

A: Companies have limited levers in challenging jurisdictions, but clear positive trends are emerging around security of supply and nearshoring. Governments are prioritizing reliable, allied sources of critical materials – copper, tungsten, and rare earths especially – given heavy concentration risks.

The U.S. and other Western governments are actively supporting domestic and friendly supply chains through policy, equity, and grants. This has made Tier-1 jurisdictions like Canada and the U.S. a core investment thesis for many clients.

Strong financing markets have also allowed companies to strengthen balance sheets. In uncertain times, financial flexibility becomes a genuine competitive advantage to weather volatility and opportunistically pursue M&A.

Q: What gives Stifel a competitive advantage in serving clients across the metals and mining sector?

A: We combine the depth and institutional capabilities of a big bank with the specialist focus and agility of a boutique. Our team delivers deep sector expertise backed by Stifel's broad U.S. and global platform.

In fast-moving markets where windows open and close quickly, the ability to decide and execute in real time is crucial. Our Q1 results show this in action: we led 18 metals and mining equity deals and raised nearly C$1 billion across a wide range of commodities and transaction sizes.

This same agility and sector focus extends to M&A, where Stifel is a leading Canadian mining advisor providing bespoke, independent advice. We have advised on more than C$6 billion of transaction value since January 2026 across the full spectrum of production and exploration companies, demonstrating the depth of our expertise and long-standing client relationships.

MINING INVESTMENT BANKING 2026 Q1 MILESTONE TRANSACTIONS

All Equity Raised	Equity Raised as Lead Underwriter / Agent	Financial Advisor
+C$1B	**+C$780M**	**+C$6B**
Raised among 24 ECM transactions announced	Raised among 17 ECM transactions announced	Worth of M&A transactions announced and closed

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