MineralFunds Mergers & Acquisitions Report: Coeur Mining Inc. to Buy SilverCrest Metals Inc. for US$1.7 Billion

written by Christopher Berlet | October 10, 2024
This MineralFunds Report provides a summary of Gold and Precious Metal Funds that hold:

1) The acquirer only: Coeur Mining Inc. (NYSE: CDE)
2) The acquired company only: SilverCrest Metals Inc. (TSX: SIL | NYSE: SILV)
3) Both the acquirer and acquired company

On Friday October 4th, 2024 Coeur Mining Inc. (NYSE: CDE) ('Coeur') announced acquisition of SilverCrest Metals Inc. (TSX: SIL | NYSE: SILV) ('SilverCrest') in a deal valued at US$1.7 billion. This deal will further Coeur's position as a leading global silver producer with producing assets in Mexico, Nevada, Alaska and South Dakota while SilverCrest's Las Chispas mine is located in Sonora State, Mexico.

The acquisition will see Coeur integrate SilverCrest's Las Chispas mine, a high-grade, low-cost silver and gold operation in Sonora State, Mexico. The merged company may be expected to produce ~21 million ounces of silver and 432,000 ounces of gold annually by 2025, with the Las Chispas mine in Sonora, Mexico, making a substantial contribution. Las Chispas mine, which began production in late 2022, has shown strong operational performance, Coeur's president and CEO, Mitchell J. Krebs, told investors. The executive said that in 2023, the mine's first full-year of operations, Las Chipas produced more than 10.25

million silver-equivalent ounces at a cash cost of US$7.73 per ounce. The combined entity is projected to generate ~US$700 million in EBITDA and ~$350 million in free cash flow in 2025.

SilverCrest shareholders will receive 1.6022 Coeur common shares for each of their SilverCrest shares. Upon completion of the transaction, Coeur shareholders will own approximately 63 percent of the combined company, while SilverCrest shareholders will hold approximately 37 percent. Cash flow from Las Chispas, in combination with SilverCrest's clean balance sheet, which is absent debt and holding treasury assets of ~US$122 million, including ~US$98 million in cash and equivalents and ~US$24 million of bullion, should help accelerate Coeur's debt-reduction initiatives. Coeur was holding ~US$555 million in net debt at the end of the second quarter of 2024. The deal valuation is "somewhat justified thanks to Las Chispas' extremely low-cost structure, which is supported by the high-grade reserve and resource base," said National Bank analyst Mike Parkin.

The acquisition is slated to close by late Q1 2025, pending approval from SilverCrest and Coeur shareholders, as well as regulatory clearances in Canada, Mexico and the US. Any prospective 'outside' acquirer of either SilverCrest or Coeur will have to factor in the break fees that are payable if the current tie-up falls apart. If SilverCrest terminates the deal, a ~US$60-million break fee is payable; If Coeur walks, the break fee is ~US$100 million. At least two-thirds of votes cast by SilverCrest shareholders in a meeting to be held at year-end must be in support of the transaction for the deal to succeed. The transaction also requires Coeur Mining shareholders to approve the issuance of new shares to pay for the acquisition.

Twenty-Three Funds show holding SilverCrest Metals (TSX: SIL | NYSE: SILV) only, and will be the biggest performance

beneficiaries from this transaction:

Funds holding Acquirer only	Funds holding Acquired only	Funds holding Both
Coeur Mining only	**SilverCrest only**	**Coeur Mining and SilverCrest**
BAKERSTEEL Precious Metals Fund	Allspring Precious Metals Fund	Sprott Gold Equity Fund
DWS Invest I Gold & Precious Metals	Invesco Gold & Special Minerals Fund (USA)	US Global Investors Gold and Precious Metals
Schroder ISF Global Gold	US Global Investors World Precious Minerals	Rydex Precious Metals Fund
Apiaris UCITS Precious Metal Mining Equities	Euro Pacific Gold Fund	Precious Metals UltraSector Profund
Claresco Or et Metaux Precieux	RBC Global Precious Metals Fund	Ninepoint Gold & Precious Minerals Fund
ES Baker Steel Gold and Precious Metals	Dynamic Precious Metals Fund	Konwave Gold Equity Fund
Strategie Indice Or	Mackenzie Precious Metals Fund	CPR Invest – Global Gold Mines
Earth Gold Fund UI	Dynamic Strategic Gold Class	Konwave Sustainable Gold Equities

DWS Noor Precious Metals Securities Fund	IG Mackenzie Global Precious Metals Class	Placeuro Gold Mines
Zenito Silver and Gold	CIBC Precious Metals Fund	Jupiter Gold & Silver Fund
BAKERSTEEL Electrum Fund	NBI Precious Metals Fund	AMG Gold, Minen und Metalle
	CI Precious Metals Private Trust	Amundi Gold Stock
	STABILITAS Pacific Gold+Metals	Craton Capital Precious Metal Fund
	Invesco Gold & Special Minerals Fund (Lux)	Konwave Energy Transition Metals
	Sprott-Alpina Gold Equity UCITS Fund	STABILITAS Silber+Weissmetalle
	SVS Sanlam Global Gold & Resources Fund	Ninepoint Silver Equities Fund
	DMS Charteris Gold & Precious Metals Fund	AuAg Silver Bullet
	Crédit Mutuel CIC Global Gold	
	Sprott-Alpina Gold Equity Fund	
	SafePort Gold & Silver Mining Fund	
	Premium Gold & Metal Open Fund	

	Structured Solutions Next Generation Resources	
	SafePort Silver Mining Fund	
Total Funds 11	**Total Funds 23**	**Total Funds 17**

Source: https://mineralfunds.com/managed-funds/

MineralFunds.com provides prices, performance and trade information for all the world's metal ETFs including: Precious Metals, Battery Metals, Platinum Group Metals and Base Metals and comprehensive fund information, including asset allocations, for Gold & Precious Metals Managed Funds from all investment jurisdictions.

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