

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

written by Khadijah Samnani | 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
<u>BAKERSTEEL Precious Metals Fund</u>	<u>Allspring Precious Metals Fund</u>	<u>Sprott Gold Equity Fund</u>
<u>DWS Invest I Gold & Precious Metals</u>	<u>Invesco Gold & Special Minerals Fund (USA)</u>	<u>US Global Investors Gold and Precious Metals</u>
<u>Schroder ISF Global Gold</u>	<u>US Global Investors World Precious Minerals</u>	<u>Rydex Precious Metals Fund</u>
<u>Apiaris UCITS Precious Metal Mining Equities</u>	<u>Euro Pacific Gold Fund</u>	<u>Precious Metals UltraSector Profund</u>
<u>Claresco Or et Metaux Precieux</u>	<u>RBC Global Precious Metals Fund</u>	<u>Ninepoint Gold & Precious Minerals Fund</u>
<u>ES Baker Steel Gold and Precious Metals</u>	<u>Dynamic Precious Metals Fund</u>	<u>Konwave Gold Equity Fund</u>
<u>Strategie Indice Or</u>	<u>Mackenzie Precious Metals Fund</u>	<u>CPR Invest – Global Gold Mines</u>
<u>Earth Gold Fund UI</u>	<u>Dynamic Strategic Gold Class</u>	<u>Konwave Sustainable Gold Equities</u>

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

	<u>Structured Solutions Next Generation Resources</u>	
	<u>SafePort Silver Mining Fund</u>	
Total Funds 11	Total Funds 23	Total Funds 17

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

[MineralFunds.com](https://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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