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This is the decade of hard choices where M&A will determine who moves ahead and who gets left behind

Mining is entering a decade defined by structural scarcity, long development horizons and competition for future-facing commodities. These conditions are reshaping how miners think about growth, pushing acquisitions to the centre of strategic decision-making.

In markets where delays are costly and development risk is rising, mergers and acquisitions (M&A) have become a way to secure resources, rebalance portfolios and respond to shifting demand at a pace that greenfield projects cannot match. Strategic acquisitions are not displacing organic growth – they are redefining how miners build resilience in an environment where certainty carries a premium.

Deal activity over the past year underscores the shift.

Transactions above \$100 million have clustered around gold at 35%, copper at 29% and steel at 19%. Gold's share reflects diversification away from US dollar reserves and inflows into specialised vehicles. Copper's weighting is shaped by constrained discoveries and rising demand from renewables, electric cars and fast-growing AI data centres. Steel's activity points to consolidation in downstream operations, where scale and efficiency drive competitiveness.

Anyone who worked through the last capex supercycle will recognise how sentiment turns when valuations run ahead of fundamentals. These patterns confirm that miners are repositioning towards commodities central to long-term industrial and macro demand.

The preference for acquisitions is even more pronounced in regions where development risk has intensified.

Power instability, logistics constraints, regulatory uncertainty and inflationary pressures across Africa have extended build-out timelines regardless of geological potential. Projects face prolonged permitting cycles and rising input costs, which dilute competitiveness. In this environment, buying an operating or near-operational asset provides immediate market exposure, proven production data, existing infrastructure and management teams familiar with the orebody. It also enables companies to adjust jurisdictional and commodity exposure far more quickly than with a greenfield option. Those advantages matter in a market where timing increasingly shapes competitiveness.

Yet the factor that separates the strongest acquirers from the rest is discipline. Elevated investor interest in critical minerals has inflated valuations, increasing the risk of overpaying in strong cycles. The euphoria that accompanies rising prices can distort judgement,

which is why disciplined acquirers interrogate fundamentals beyond headline metrics. They drill into orebody quality and metallurgical complexity but also cost curve position and capital intensity. And while no 2 assets are comparable, the way boards judge timing, jurisdiction and capital intensity tends to rhyme across cycles. They test commodity and FX assumptions on a 5- to 10-year through-cycle basis rather than relying on short-term momentum and measurable synergies, and avoid estimates used to justify premiums.

As consolidation accelerates, boards are wrestling with how to maintain strategic clarity as competitive tension rises.

The companies most likely to succeed are those that balance ambition with prudence and use acquisitions to strengthen, not stretch, the portfolio. They avoid diversification for its own sake, protect balance sheet flexibility, and ensure external advisers and analysts rigorously test internal assumptions. This governance discipline reduces valuation inflation driven by internal optimism and reinforces the long-term rationale for each transaction.

Recent transactions show how this discipline is applied in practice. Large combinations, including the proposed Anglo American and Teck Resources merger, have been driven by adjacencies, logistics optimisation and shared project geographies rather than scale alone. Companies

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are no longer chasing scale for its own sake but looking for combinations that remove friction from operations. These deals show that consolidation is most effective when built on synergy logic rather than opportunistic expansion. As competition increases, acquirers are turning to structured mechanisms such as milestone-based pricing, earn-outs and contingent payments that align valuation with performance and mitigate downside risk. These structures have become essential in securing board approval and maintaining market confidence.

The need for discipline also extends to the junior segment, where geological potential often exceeds investability.

Many rely heavily on outsourced technical work but lack the internal capability to interpret and integrate it into bankable development pathways. This weakens credibility with strategic buyers, who increasingly evaluate management strength alongside orebody quality. High-calibre feasibility work, resource and reserve statements and balanced technical and financial leadership remain fundamental prerequisites for attracting interest.

Recent initiatives in South Africa – such as the Junior Mining Exploration Fund, which is designed to advance early-stage projects – represent real progress. None of this makes greenfield development obsolete; it simply raises the bar for what qualifies as investable. Additional public sector signals, including an anticipated R1.35 billion allocation from the Public Investment Corporation for mining exploration, show growing recognition that rebuilding the early-stage pipeline is essential for future supply.

These themes are evident in our engagements across the mining sector, where clients are preparing for a cycle defined by sharper competition and heightened scrutiny. Conversations increasingly centre on risk allocation, value capture pathways, and structuring approaches that support disciplined growth. M&A capability, once treated as episodic, has become a core strategic competence, essential for navigating a decade in which supply constraints, the pace of the energy transition, and geopolitical shifts will shape competitive boundaries.

As Mining Week 2026 approaches, these discussions are becoming even more pointed as companies recalibrate strategies for a market where timing, discipline, and portfolio clarity carry greater weight.

In a decade shaped by supply

pressure, the companies that grow with discipline rather than urgency will be the ones that build resilience.

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The 2026 edition of Mining Indaba will take place in Cape Town from 9 to 12 February.

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