



MINING FINANCIAL MODELING *(Understanding and Analyzing a Mining Company)*

SUMMARY:

This course focuses on the skills required to design and create a dynamic financial model of a mining company that is developing an open-pit mine to produce base and precious metals.

Issues related to mining, milling and processing will be discussed.

The course material includes model design, logic, construction and financial concepts to create a best-in-class financial model of a mining company.

Various intermediate Excel tools along with helpful keyboard shortcuts will also be covered throughout the course.

Timing: This course requires 2-3 days, depending on the amount of material to be covered

Experts in financial
modeling training

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LEARNING TOPICS:

Design and Structure a Financial Model

- ✓ Design and layout a financial model clearly and logically
- ✓ Discuss the need for a model to serve as a marketing tool
- ✓ Create clearly defined inputs and assumptions sections

Build Powerful Scenarios and Financial Statements

- ✓ Use switches to create effective scenarios and value drivers
- ✓ Forecast and build-up the project's revenues and expenses
- ✓ Construct all necessary schedules, including:
 - Commodity pricing fundamentals (includes hedging for primary and secondary minerals)
 - Production profile (includes construction, mining and processing profiles)
 - Variable and fixed operating costs (including mining, milling and treatment and refining charges)
 - Development and maintenance capital costs
 - Reclamation and closure costs
 - Resource tax (includes regional resource tax rules)
 - Income tax (includes federal and provincial taxation)
- ✓ Develop a cash flow projection for the mining company
- ✓ Forecast the company's financial statements

Evaluate the Project and the Company

- ✓ Incorporate a schedule to evaluate the project's returns
 - Net Present Value (NPV)
 - Net Asset Value (NAV)
 - Internal Rate of Return (IRR)
 - Payback and Discounted Payback periods
- ✓ Build a detailed summary page to display the results
- ✓ Use various sensitivity tools to sensitize the project's returns
- ✓ Conditionally format output tables to highlight specified results

Design and create a financial model to determine the value of a mining company developing an open-pit mine