MINING MODELING 2:
(BUILDING CONSOLIDATED COMPANY FINANCIALS)

SUMMARY

This hands-on course focuses on the skills required to build and incorporate a complex capital structure into a mining model.

Participants will model specific pieces of debt and equity in order to forecast and balance the company's financial statements.

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

Timing: This course requires 1 day

Experts in financial modeling training and consulting

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LEARNING TOPICS:

Modeling Debt and Equity
✓ Properly incorporate Senior Term Debt with an amortizing repayment schedule
✓ Create a robust bank operating line (or revolving credit facility) with a cash sweep
✓ Build a schedule to track reclamation fund contributions and withdrawals once reserves have been depleted
✓ Create a well-designed shareholders' equity schedule using payout rate to calculate dividends to shareholders
✓ Track new equity issuances and share buybacks
✓ Use a corkscrew to monitor the buildup of retained earnings

Forecast and Balance the Financial Statements
✓ Properly link the debt and equity schedules into the financial statements and balance the company's balance sheet
✓ Understand the need for circularity within a financial model
✓ Make a model iterative by incorporating circular references
✓ Learn to create a "circular reference breaker" to rid a model of undesirable error messages when the model crashes
✓ Incorporate an income tax schedule to calculate current and deferred income taxes for the company
✓ Use tax pool schedules to track balances to shield the company from current taxes

Show Credit Statistics and Covenants
✓ Understand and incorporate operating and debt ratios
✓ Use EBITDA cushions to indicate likelihood of tripping a covenant
✓ Create "flags" to warn if a debt covenant has been tripped

Incorporate a complex capital structure into a mining model and forecast the company's financial statements