Global Copper

Copper price back to setting new all-time highs: what is priced into the equities?

Price Objective Change

Copper equities attractively valued on a P/NAV approach

The copper price, now at $6.55 per pound (/lb) or $14,446 per tonne (/t) has appreciated nearly 16% year-to-date (YTD) and has rallied 22% from the March lows. From here, the outlook for copper prices, in our view, remains robust. As for equities (as measured by the Solactive Global Copper Miners Index (SGC)), they have appreciated by 30% YTD and have rallied 33% since the March lows. We look at what copper price is reflected in current equity valuations and what this suggests about value in the sector. Using an EV/EBITDA approach, we derive a 6-yr weighted average implied copper price of $7.67 per pound (/lb), or $16,909 per tonne (/t). This points to fulsome valuations on short-term metrics. However, using a price-to-net-asset-value (P/NAV) approach (which captures longer-term portfolio value), we calculate a 6-year weighted average implied copper price of $6.22/lb, or $13,713/t for our global coverage universe, suggesting attractive valuations.

Copper price structurally supported

Tight copper mine supply has constrained refined production – a key reason prices have stayed resilient despite recent macro uncertainties. Further, industry average production costs have risen 2.5x in the past 15 years. On the demand side, copper benefits from powerful structural drivers including electrification, EV adoption, grid investment, and AI-related data center construction. Our average copper price forecast of 6.92/lb ($15,250/t) for 2027, points to more upside from here.

EV/EBITDA approach implies a premium to spot copper

Using historical EV/EBITDA multiples, we estimate the copper price required for each company to trade at its historical average valuation, at current share prices. For our global coverage, the 6-year (captures the recent re-rating higher) weighted average EV/EBITDA implies a copper price of $7.67/lb ($16,909/t), while the 15-year (full-cycle approach) weighted average implies a copper price of $7.99/lb ($17,614/t). Both are above spot, suggesting the market sees sustained copper strength. Ero Copper (ERO), First Quantum Minerals (FM), and Ivanhoe Mines (IVN) screen as inexpensive on this approach.

Recent P/NAV multiples imply a discount to spot copper

Using historical average P/NAV multiples, we also estimate the copper price required for each company to trade at its historical average valuation at current share prices. Across our global coverage, the 6-year weighted average P/NAV multiple implies a copper price of $6.21/lb ($13,691/t), while the 15-year weighted average implies a higher copper price of $7.24/lb ($15,961/t). The 6-year implied copper price remains below the current spot price, suggesting that copper equities continue to trade at a discount to the underlying commodity in the near term (while the 15-year implies a small premium). Under both historical valuation scenarios, ERO, Ivanhoe Mines (IVN), and Lundin Mining (LUN) screen as the most attractively valued names in our coverage.

We increase our POs for FM and IVN to C$50 ($35) and C$13.00 ($9.25). See page 2.

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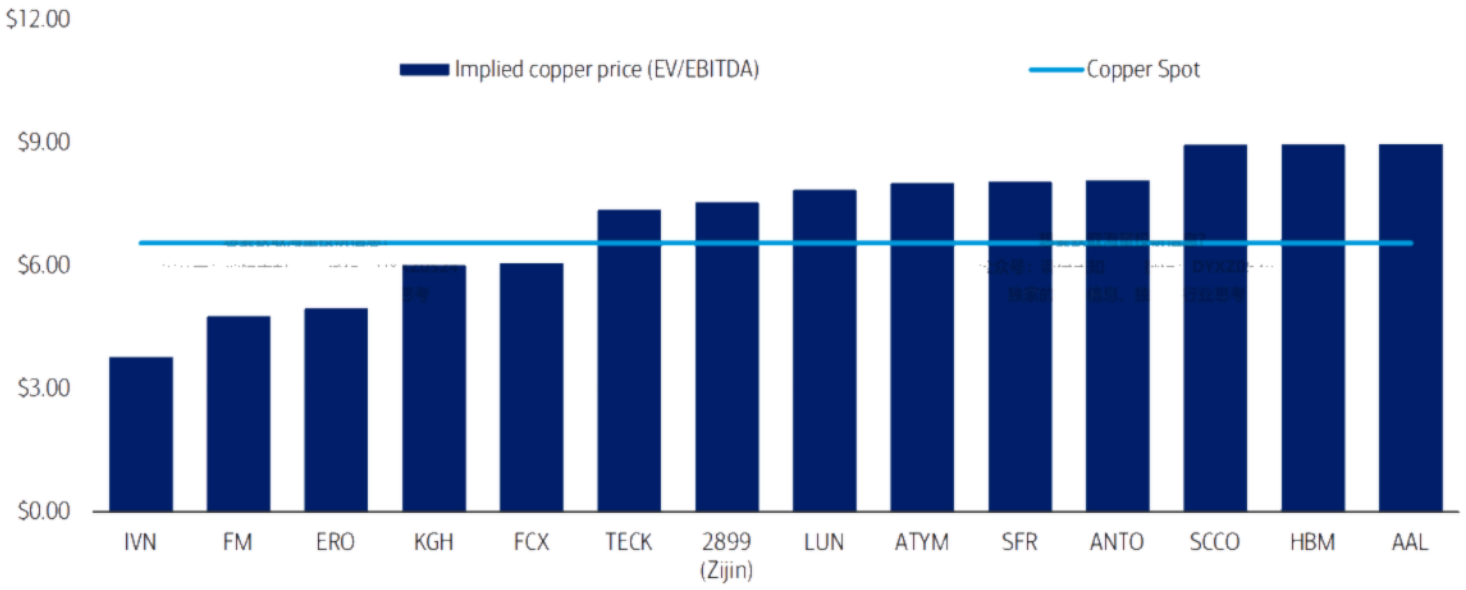
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Key chart: 6-year EV/EBITDA Cu price

Exhibit 1: AAL is pricing in the highest copper price on a 2027 EV/EBITDA basis, while IVN is the lowest
Copper price implied by current share prices using a 6-year EV/EBITDA approach



Source: BofA Global Research, Bloomberg, Factset

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Our EV/EBITDA and P/NAV methodology

We analyze companies relative to their own trading history
What this means is we normalized for stocks that are ALWAYS expensive (or cheap). So, for example, Southern Copper (SCCO) usually trades on a very high multiple relative to peers. And yet, compared to its own historical trading multiple, it still looks expensive.

Also consider Anglo American (AAL). Historically, it traded "cheaply" vs. copper producers as its historical multiple reflected its status as a diversified mining company, with copper representing a minority of revenue, and no metal representing a majority. Iron ore, which historically has received a lower trading multiple from the market, made up a more meaningful share of AAL's revenue, historically. AAL looks more expensive now that it has re-rated higher on the acquisition of Teck Resources (TECK) announced nearly one year ago (and which transformed AAL into a growth oriented copper pure-play).

Conversely, consider IVN. On our numbers it has historically traded expensively vs. the group at around 18x next twelve month (NTM) EV/EBITDA, a reflection of its substantial historical copper production growth outlook. Today it trades on roughly 14x EBITDA and is thus is pricing a copper price that is well below spot, despite still showing as expensive vs. the peer average at around 8.3x on NTM EV/EBITDA.

Higher POs for FM and IVN

We realign our valuation targets for FM and IVN with market realities. As such, we increase our 2026E/2027E EV/EBITDA target multiples for FM to 9.5x/9x from 8.5x/8x. This drives an increase in our PO to C$50 ($35) per share from C$45 ($31.50) per share. We reiterate our Neutral rating as we see the current valuation accurately reflecting our constructive outlook for copper prices and FM's potential copper growth, balanced by our cautious outlook for the restart of the Cobre Panamá. For IVN, we increase our target P/NAV valuation multiple to 1.05x from 1.00x and raise our PO to C$13.00 ($9.25) from C$12.50 ($8.50). We reiterate our Neutral rating, as while IVN works toward an improved understanding of the Kamoa-Kakula mine, we see more compelling copper exposure elsewhere.

What are the copper equities pricing?

15-year, through the cycle multiples

Historically, we've used the average trading multiple over an entire historical copper price cycle in order to determine what is currently being priced by the copper equities. This approach has the advantage of capturing cyclical re- and de- ratings. Its weakness is that it misses structural changes in the market multiples. We attempt to (at least partially) tackle the regime change issue with our 6-year average trading multiple approach (below).

On a 15-year P/NAV basis, our coverage universe implies an average copper price of $7.24/lb, above spot at $6.55/lb, suggesting the equities remain attractively valued. TECK implies the highest copper price on a P/NAV basis at $9.80/lb, while FM implies the lowest at $5.16/lb. TECK's $9.80/lb implied price sits well above spot and peers, reflecting Its low historical average trading multiple, a function of the substantial contribution of metallurgical coal to its revenue. Following its coal divestiture, TECK has become increasingly levered to copper and zinc, and has experiences a valuation re-rating higher. At the other end, FM implies just $5.16/lb, reflecting the persistent overhang from the Cobre Panamá closure and the unresolved political and legal uncertainty surrounding its restart. Until FM demonstrates a more certain path to reinstating Cobre Panamá or meaningfully replacing that lost production, the steep discount to spot and peers is likely to persist, in our view.

On a 15-year EV/EBITDA basis, our coverage universe implies an average copper price of $7.99/lb, a 22% premium to spot. SCCO carries the highest implied copper price at $9.44/lb, much higher than peers (supported by its low-cost Peruvian and Mexican operations, large reserve base, strong by-product credits, and sector-leading margins), but well above its own historically average multiple, suggesting a stretched valuation. At the other end, IVN implies a copper price of just $3.80/lb, reflecting the operational disruptions caused by the severe flooding at Kamoa-Kakula. The setback raised uncertainty around long-term production and capex, weighing on the stock and driving a significant discount to both peers, and its own historical average trading multiple.

Exhibit 2: The Market Cap weighted average copper price being priced in by our coverage on an EV/EBITDA basis is $7.99/lb; on a P/NAV basis is $7.24/lb.

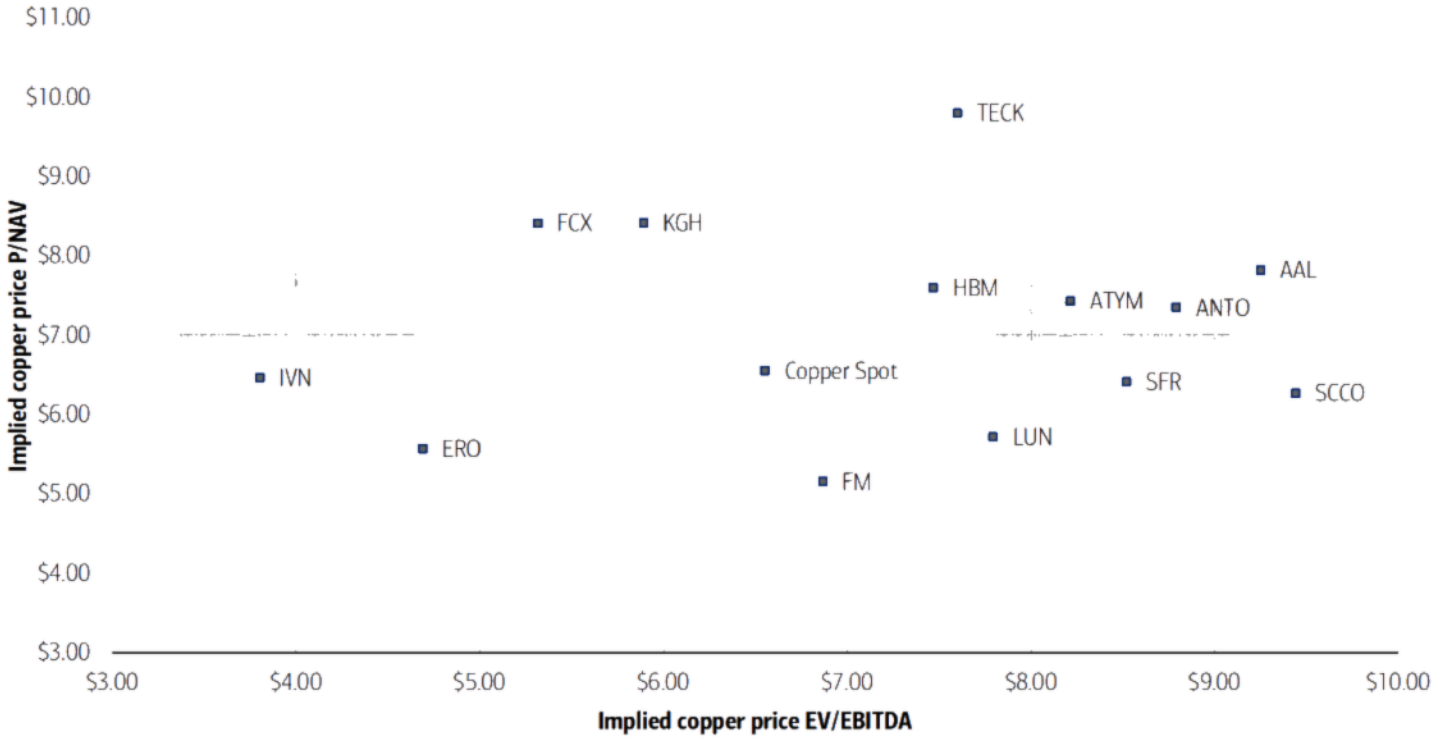
N.A Copper equities implied copper prices using a 15-year "full-cycle" historical valuation target approach

	Ticker	Share price (US$/sh)	14-yrs avg EV/EBITDA	12-yrs avg P/NAV	Implied Cu price (EV/EBITDA)	vs. Spot Copper	Implied Cu price (P/NAV)	vs. Spot Copper
Copper Producers								
Anglo American PLC	AAL	$57.79	5.1	1.2	$9.25	41%	$7.82	19%
Antofagasta PLC	ANTO	$54.68	6.6	1.5	$8.79	34%	$7.35	12%
Atalaya Mining	ATYM	$15.01	3.4	0.9	$8.21	25%	$7.43	13%
ERO Copper Corp	ERO	$37.13	6.0	0.9	$4.69	-28%	$5.57	-15%
First Quantum Minerals Ltd	FM	$33.26	5.7	1.1	$6.87	5%	$5.16	-21%
Freeport McMoran	FCX	$75.74	9.5	0.8	$5.32	-19%	$8.41	28%
Hudbay Minerals	HBM	$28.66	6.2	0.8	$7.47	14%	$7.60	16%
Ivanhoe Mines Ltd	IVN	$8.72	17.8	0.7	$3.80	-42%	$6.46	-1%
KGHM Polska Miedz SA	KGH	$95.85	4.5	1.1	$5.89	-10%	$8.41	28%
Lundin Mining Ltd	LUN	$26.77	6.1	0.8	$7.79	19%	$5.72	-13%
Sandfire Resources	SFR	$16.44	4.3	1.0	$8.52	30%	$6.41	-2%
Southern Copper Corp	SCCO	$208.87	9.8	1.3	$9.44	44%	$6.27	-4%
Teck Resources Ltd	TECK	$68.12	5.5	0.9	$7.60	16%	$9.80	50%
Zijin Mining Corp	2899 (Zijin)	$4.67	7.5	1.9	$8.55	30%	na	n/m
N.A.Copper Universe Average					**$7.99**	**21.94%**	**$7.24**	**10.45%**

Source: BofA Global Research, Bloomberg, Factset

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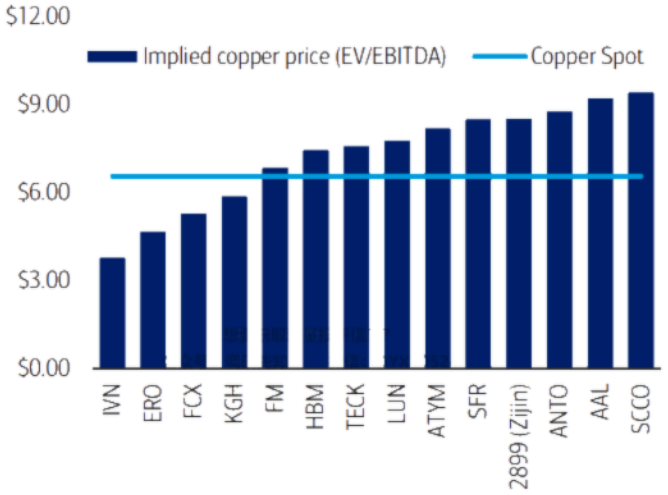
Exhibit 3: Most copper producers continue to price in a copper price above the spot price on this methodology
N.A Copper equities implied copper prices using a 15-year "full-cycle" historical valuation target approach, P/NAV vs. EV/EBITDA



Source: BofA Global Research, Bloomberg, Factset

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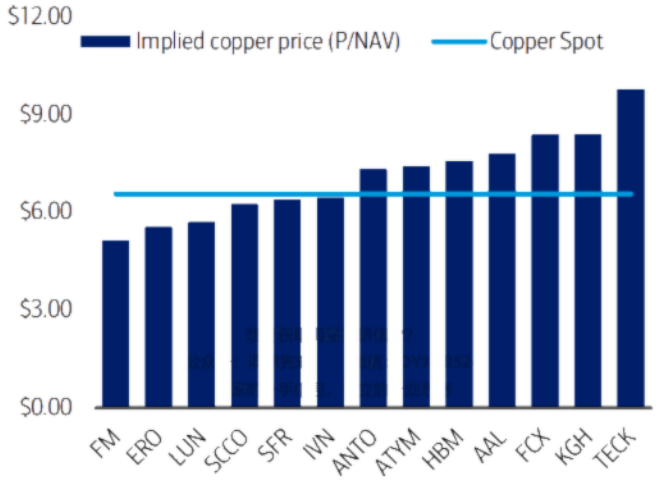
Exhibit 4: SCCO is pricing in the highest copper price on a 2027 EV/EBITDA basis, while IVN is the lowest.
Copper price implied by current share prices using a 15-year "full-cycle" historical average EV/EBITDA approach



Source: BofA Global Research, Bloomberg, Factset

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Exhibit 5: TECK is pricing in the highest copper price on a 2026 P/NAV basis, while FM is the lowest.
Copper price implied by current share prices using a 15-year "full-cycle" historical average P/NAV approach



Source: BofA Global Research, Bloomberg, Factset

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6-year, more recent (re-rated) multiples

As an alternate, we use a 6-year approach to solve for the copper price implied in current copper equity valuations in order to capture what we see as a structural re-rating higher in copper equity valuations since the pandemic. We see this re-rating higher a function of multiple forces that have transformed the copper market to a higher expected growth rate sector vs. historical norms. Driving this structural re-rating is strong demand from electrification, decarbonization, reshoring, de-globalization, and the build-out of Artificial Intelligence (AI) datacenters; all further buoyed by copper supply challenges.

On a 6-year P/NAV basis, our coverage universe implies an average copper price of $6.21/lb, below spot at $6.55/lb, suggesting the equities remain attractively valued. TECK implies the highest copper price on a P/NAV basis at $8.70/lb, while LUN implies the lowest at $5.27/lb. TECK's $8.70/lb implied price sits well above spot and peers, a function of its low historical average trading multiple, as discussed above. At the other end, LUN's low implied copper price reflects what we see as an under-priced copper production growth profile via the development of its Vicuña project (a JV with BHP).

On a 6-year EV/EBITDA basis, our coverage universe implies an average copper price of $7.67/lb, an 17% premium to spot. AAL trades at a high implied copper price of $8.99/lb, reflecting the premium investors place on its world-class copper growth, and its increasing portfolio exposure to copper post the acquisition of TECK, and as the company simplifies its business. At the other end, IVN implies just $3.79/lb, reflecting its high historical trading multiple, combined with a valuation re-rating post the recent operating issues at its Kamoa-Kakula copper mine in the Democratic Republic of Congo (as discussed above).

Exhibit 6: The 6 yr Market Cap weighted average copper price being priced in by our coverage on an EV/EBITDA basis is $7.67/lb; on a P/NAV basis is $6.21/lb.

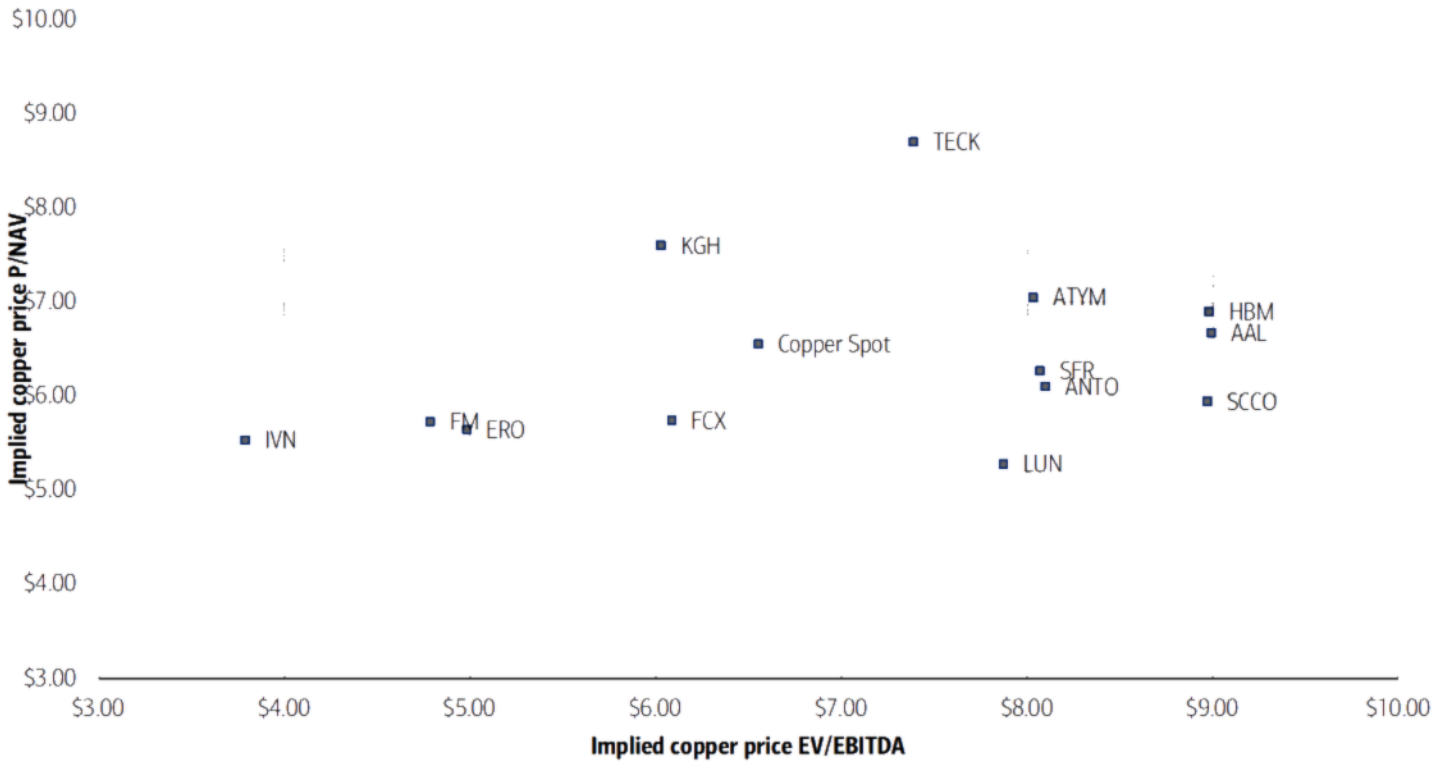
N.A Copper equities implied copper prices using a 6-year "since pandemic period of structural upward rerating" historical valuation target approach

	Ticker	BofA Ticker	Share price (US$/sh)	6-yr avg EV/EBITDA	6-yr avg P/NAV	Implied Cu price (EV/EBITDA)	vs. Spot Copper	Implied Cu price (P/NAV)	vs. Spot Copper
Copper Producers									
Anglo American PLC	AAL	AAUKF	$57.79	5.3	1.5	$8.99	37%	$6.67	2%
Antofagasta PLC	ANTO	ANFGF	$54.68	7.3	2.0	$8.10	24%	$6.10	-7%
Atalaya Mining	ATYM	XPGBF	$15.01	3.5	1.0	$8.03	23%	$7.05	8%
ERO Copper Corp	ERO	ERO	$37.13	5.4	0.9	$4.98	-24%	$5.64	-14%
First Quantum Minerals Ltd	FM	YFM	$33.26	9.5	0.9	$4.79	-27%	$5.72	-13%
Freeport McMoran	FCX	FCX	$75.74	8.2	1.4	$6.09	-7%	$5.74	-12%
Hudbay Minerals	HBM	HBM	$28.66	5.1	0.8	$8.98	37%	$6.90	5%
Ivanhoe Mines Ltd	IVN	YIVN	$8.72	17.9	0.9	$3.79	-42%	$5.53	-16%
KGHM Polska Miedz SA	KGH	KGHPF	$95.85	4.3	1.5	$6.03	-8%	$7.60	16%
Lundin Mining Ltd	LUN	YLUN	$26.77	6.1	1.0	$7.87	20%	$5.27	-20%
Sandfire Resources	SFR	SFRRF	$16.44	4.9	1.0	$8.07	23%	$6.27	-4%
Southern Copper Corp	SCCO	SCCO	$208.87	11.2	1.7	$8.97	37%	$5.94	-9%
Teck Resources Ltd	TECK	TECK	$68.12	5.7	1.0	$7.39	13%	$8.70	33%
Zijin Mining Corp	2899 (Zijin)	ZIJMF	$4.67	8.1	1.9	$7.56	15%	na	n/m
N.A.Copper Universe Average						**$7.67**	**17.04%**	**$6.21**	**-5.23%**

Source: BofA Global Research, Bloomberg, Factset

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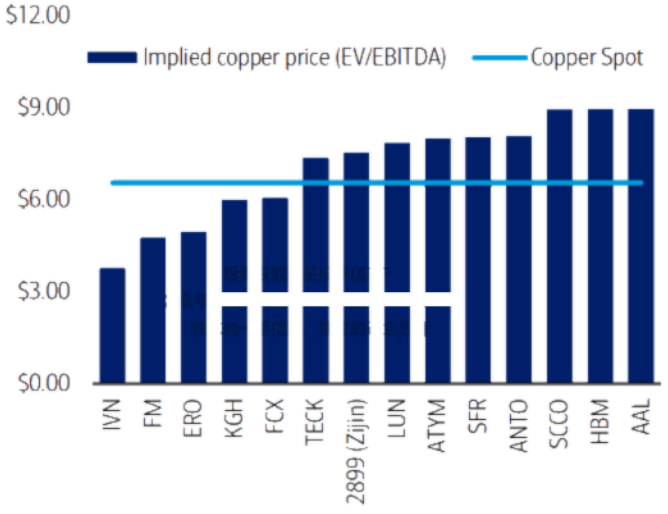
Exhibit 7: Most copper producers are pricing a copper price that is below the spot price using a P/NAV approach
N.A Copper equities implied copper prices using a 6-year "since pandemic period of structural upward rerating" historical valuation target approach, P/NAV vs. EV/EBITDA



Source: BofA Global Research, Bloomberg, Factset

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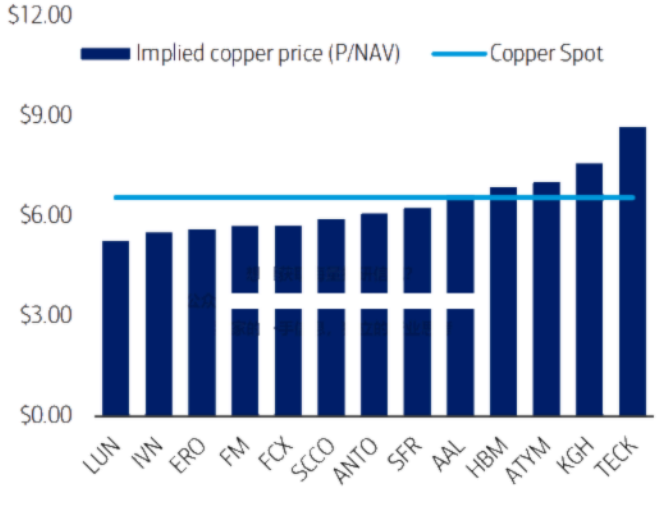
Exhibit 8: AAL is pricing in the highest copper price on a 2027 EV/EBITDA basis, while IVN is the lowest.
Copper price implied by current share prices using a 6-year historical average EV/EBITDA approach



Source: BofA Global Research, Bloomberg, Factset

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Exhibit 9: TECK is pricing in the highest copper price on a 2026 P/NAV basis, while LUN is the lowest.
Copper price implied by current share prices using a 6-year historical average P/NAV approach



Source: BofA Global Research, Bloomberg, Factset

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Copper comparable company analysis

Below, we set out the relative valuation of our global copper coverage based on key metrics.

Exhibit 10: The group average 2026E EV/EBITDA is above the historical NTM average of 8.3x, while the 2027E EV/EBITDA average is below
Global Copper Producer Comparable Companies Analysis

Priced as of 31-Aug-26	BofA Sym	BofA Rating	Shr. Price	Shares o/s (mn)	MC (US$M)	EV (US$M)	EV/EBITDA 2026E	EV/EBITDA 2027E	EV/EBITDA 2028E	FCF yield 2026E	FCF yield 2027E	FCF yield 2028E	P/NAV 2026E	Dividend yield 2026E	Dividend yield 2027E	ND/EBITDA 2026E	ND/EBITDA 2027E
Copper Producers [1]																	
Antofagasta [2]	ANFGF	BUY	4,039	986	53,950	77,021	11.6	8.4	8.0	1%	3%	6%	2.39	2.5%	3.8%	0.5	0.4
Atalaya Mining [2]	XPGBF	BUY	1,109	153	1,969	1,944	6.0	4.4	4.9	7%	14%	12%	1.56	1.0%	2.1%	(1.2)	(1.4)
Ero Copper	ERO	BUY	37.13	104	3,873	4,015	5.9	3.9	4.6	8%	18%	16%	1.63	0.0%	4.6%	0.4	(0.2)
First Quantum Minerals [3]	YFM	NEUT	46.10	834	27,758	33,582	16.4	5.4	4.6	1%	12%	13%	1.17	0.0%	0.0%	2.9	0.6
Freeport-McMoRan	FCX	BUY	75.74	1,438	108,881	127,156	10.9	6.8	6.8	3%	7%	9%	1.63	0.8%	0.8%	0.4	0.0
Grupo Mexico	GMBXF	BUY	13.75	7,824	107,552	108,831	8.0	7.4	7.5	4%	6%	6%	0.69	3.9%	5.2%	(0.1)	(0.1)
Hudbay Minerals	HBM	BUY	28.66	444	12,728	13,215	8.7	6.3	6.9	2%	9%	3%	1.40	0.1%	0.1%	(0.1)	(0.6)
Ivanhoe Mines [3]	YIVN	NEUT	12.08	1,426	12,437	12,912	14.1	7.3	5.5	-2%	-1%	1%	0.99	0.0%	0.0%	0.4	(0.3)
Jiangxi Copper [4]	JIAXF	BUY	37.42	1,387	6,623	38,508	10.5	9.3	9.6	-3%	12%	34%	0.75	4.9%	5.6%	2.2	2.0
KGHM [5]	KGHPF	BUY	357.20	200	19,167	20,443	5.4	4.1	4.9	0%	4%	2%	3.55	1.0%	1.0%	0.4	0.1
Lundin Mining [3]	YLUN	BUY	37.11	851	22,803	24,404	10.4	6.9	8.1	2%	4%	1%	0.88	0.3%	0.3%	0.2	(0.0)
Sandfire [6]	SFRRF	BUY	22.94	467	7,678	5,942	6.9	5.6	4.8	7%	8%	10%	2.41	1.1%	2.2%	(0.4)	(0.7)
Southern Copper	SCCO	UNDE	208.87	844	176,355	177,633	16.0	15.2	15.6	3%	3%	3%	1.87	1.8%	2.9%	0.0	0.0
Teck [3]	TECK	NO R	68.12	483	32,900	33,304	6.7	5.9	7.1	3%	8%	7%	2.35	0.5%	0.9%	(0.2)	(0.4)
Zijin Mining [4]	ZIJMF	BUY	36.62	25,377	118,553	115,675	5.8	5.9	5.7	5%	5%	5%	0.83	0.4%	0.4%	0.3	0.2
Market Cap Weighted Avg.							**9.8**	**7.8**	**7.8**	**2.2%**	**4.7%**	**6.4%**	**1.35**	**0.9%**	**1.4%**	**0.4**	**0.1**

Source: BofA Global Research, Bloomberg, Company Report

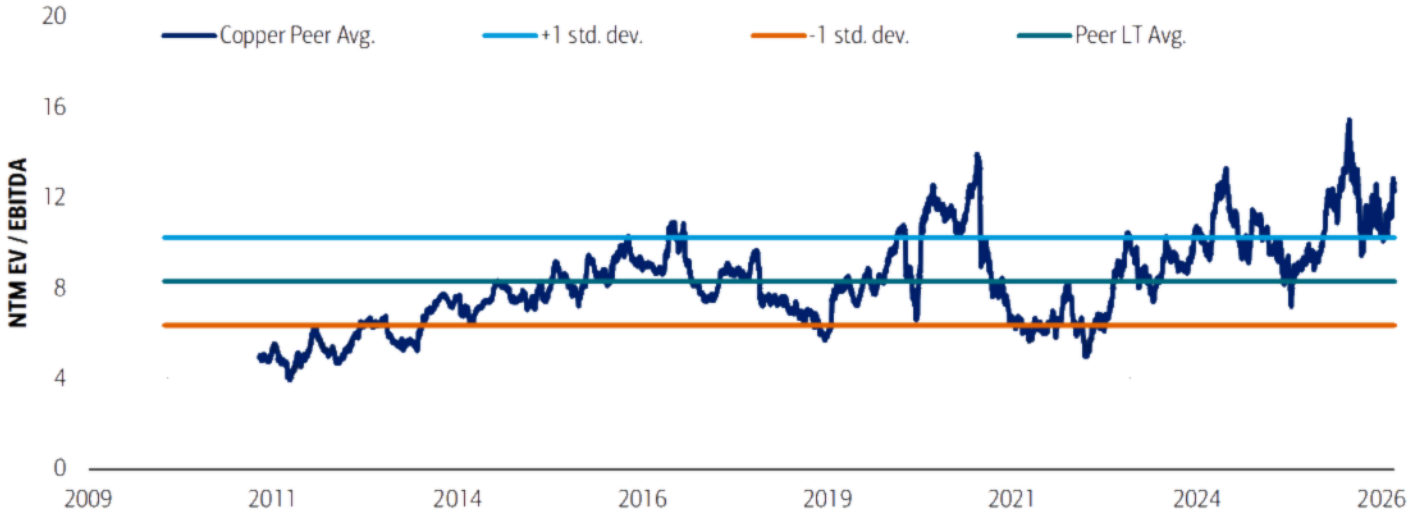
Notes. 1) All data points in USD unless otherwise noted, 2) Share prices in GPB, 3) Share prices in CAD, 4) Share prices in HKD and estimates in CNY, 5) Share prices in PLN, 6) Share prices in AUD

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Copper industry valuation trends

Below, we set out the market capitalization industry average next twelve month EV/EBITDA valuation over time.

Exhibit 11: Copper equities are currently trading at an average NTM EV/EBITDA of 12.3x vs the LT average of 8.3x
Copper NTM EV/EBITDA multiple over time



Source: BofA Global Research, Bloomberg, Factset. Note: includes the following tickers, weighted by market capitalization:

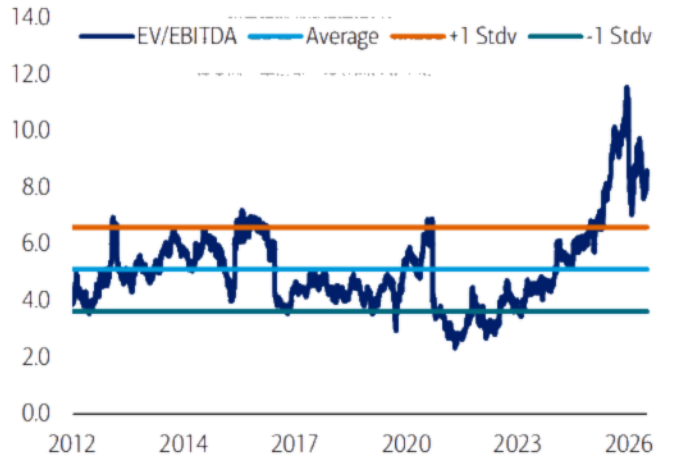
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Company specific valuation charts

Anglo American (AAL)

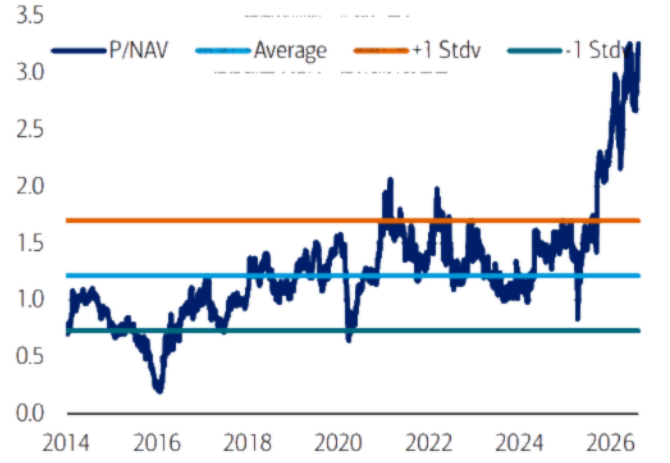
We note that AAL has had a notable valuation re-rating higher since the announced acquisition of TECK, which will transform AAL into a growth-oriented copper focused company vs. its diversified company roots. Applying the historical average trading multiples for the copper peer group to AAL suggested a 6-year EV/EBITDA implied copper price near the spot price, and a 6-year P/NAV implied copper price at below spot.

Exhibit 12: AAL is currently trading at 8.96x NTM EV/EBITDA
AAL 14-year EV/EBITDA average is 5.12x (since 2012)



Source: BofA Global Research, Factset

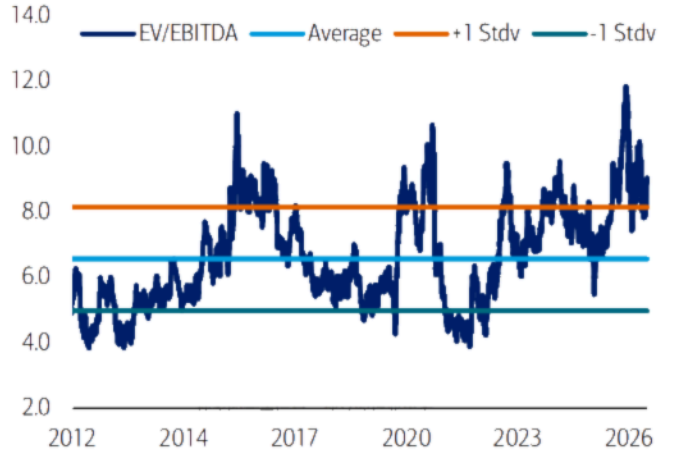
Exhibit 13: AAL's P/NAV is currently at 3.42x
AAL 12-year P/NAV average 1.22x (since 2014)



Source: BofA Global Research, Factset

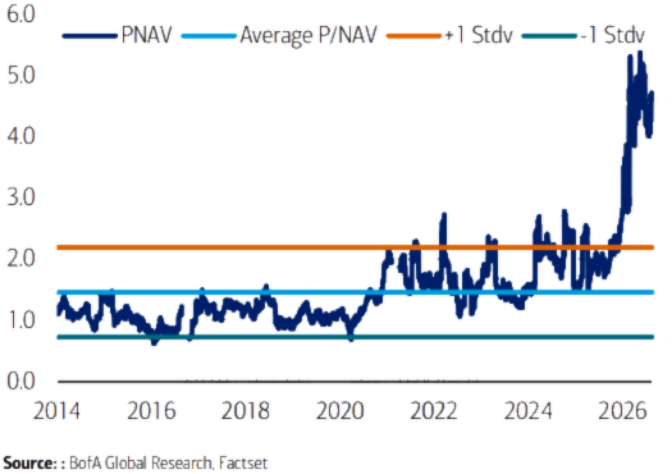
Antofagasta (ANTO)

Exhibit 14: ANTO is currently trading at 9.36x NTM EV/EBITDA
ANTO 14-year EV/EBITDA average is 6.56x (since 2012)



Source: : BofA Global Research, Factset

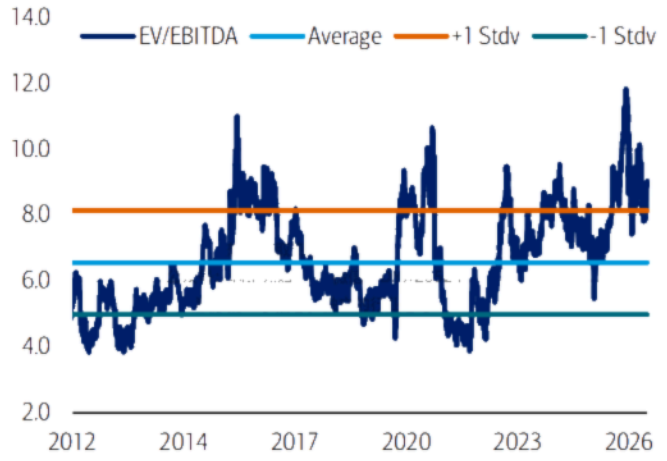
Exhibit 15: ANTO's P/NAV is currently at 3.37x
ANTO 12-year P/NAV average 1.47x (since 2014)



Source: : BofA Global Research, Factset

Atalaya Mining (ATYM)

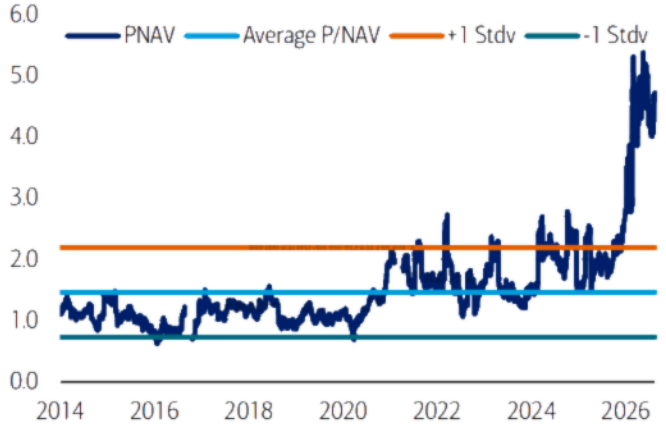
Exhibit 16: ATYM is currently trading at 5.39x NTM EV/EBITDA
ATYM 14-year EV/EBITDA average is 3.42x (since 2012)



Source: : BofA Global Research, Factset

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Exhibit 17: ATYM's P/NAV is currently at 1.45x
ATYM 12-year P/NAV average is 0.90x (since 2014)

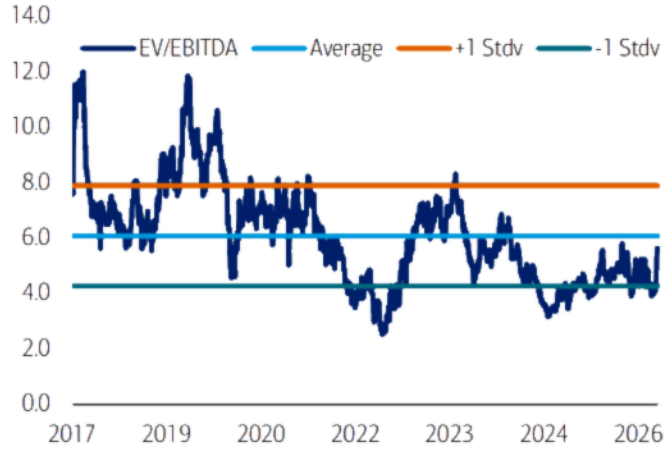


Source: : BofA Global Research, Factset

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ERO Copper (ERO)

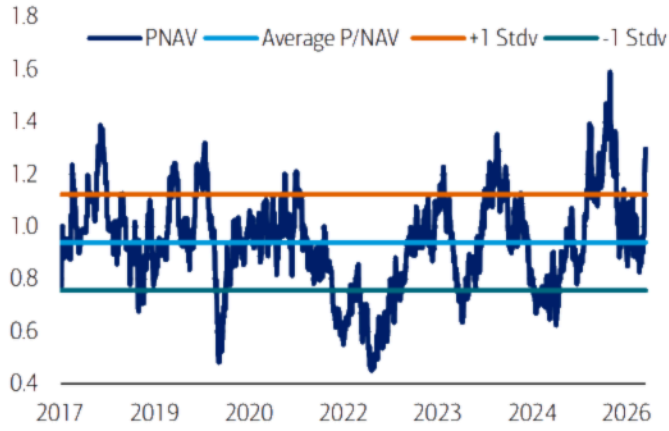
Exhibit 18: ERO is currently trading at 5.65x NTM EV/EBITDA
ERO 9-year EV/EBITDA average is 6.03x (since 2017)



Source: BofA Global Research, Factset

BofA GLOBAL RESEARCH

Exhibit 19: ERO's P/NAV is currently at 1.29x
ERO 9-year P/NAV average is 0.94x (since 2017)

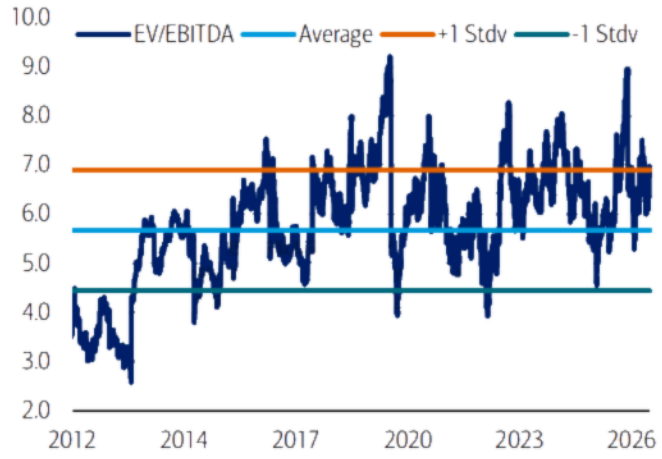


Source: BofA Global Research, Factset

BofA GLOBAL RESEARCH

Freeport-McMoRan (FCX)

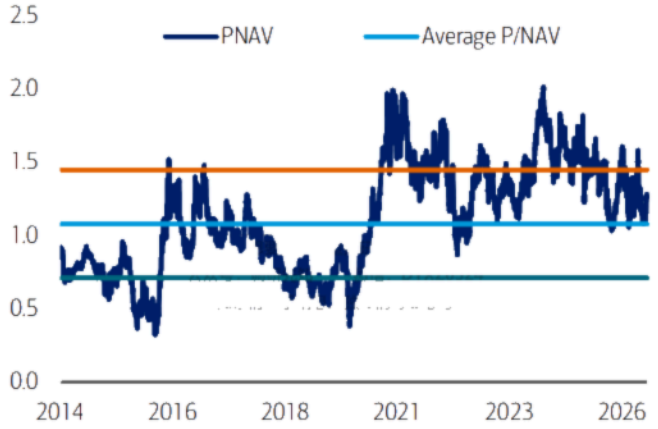
Exhibit 20: FCX is currently trading at 7.41x NTM EV/EBITDA
FCX 14-year EV/EBITDA average is 5.68x (since 2012)



Source: BofA Global Research, Factset

BofA GLOBAL RESEARCH

Exhibit 21: FCX's P/NAV is currently at 1.42x
FCX 12-year P/NAV average is 1.08x (since 2014)

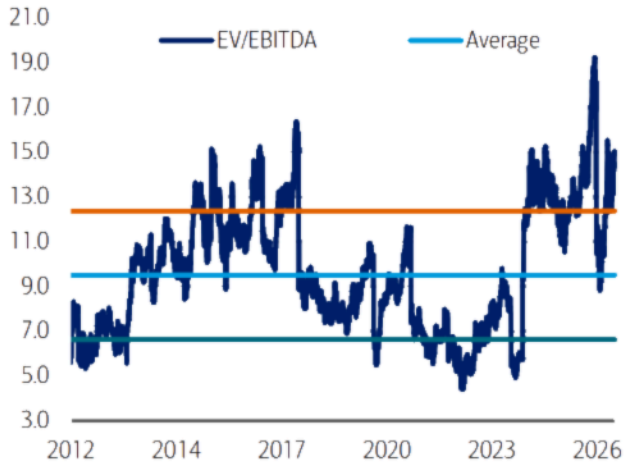


Source: BofA Global Research, Factset

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First Quantum Minerals (FM)

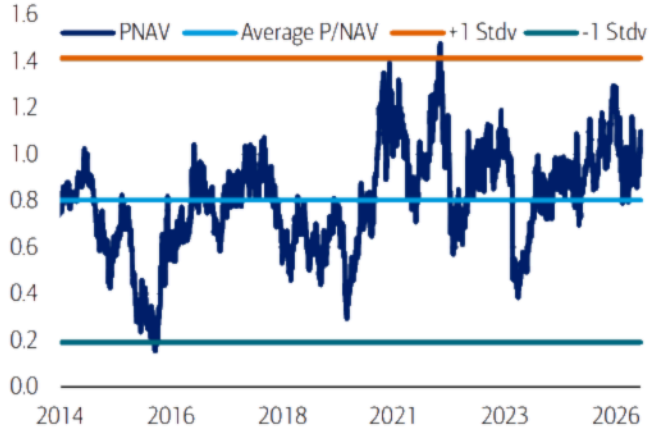
Exhibit 22: FM is currently trading at 15.53x NTM EV/EBITDA
FM 14-year EV/EBITDA average is 9.52x (since 2012)



Source: BofA Global Research, Factset

BofA GLOBAL RESEARCH

Exhibit 23: FM's P/NAV is currently at 1.14x
FM 12-year P/NAV average is 0.80x (since 2014)



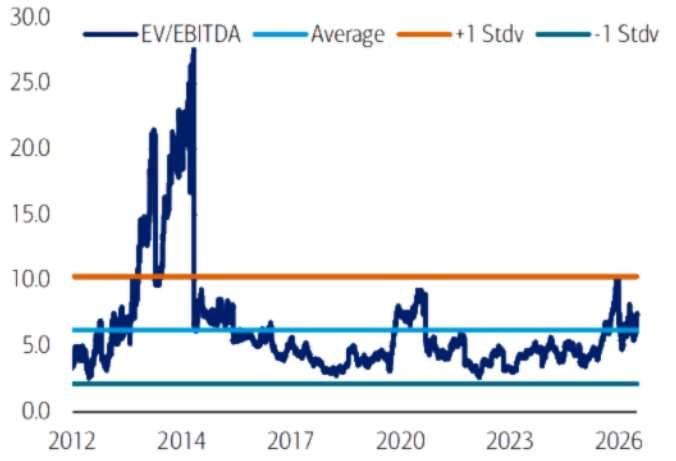
Source: BofA Global Research, Factset

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Hudbay Minerals (HBM)

In the period from 2012 to 2014, HBM experienced a super-normal growth period, a function of the build-out of its Constancia copper/gold project in Peru. However, the long-term average multiple is well below the average during that period because of a lack of additional copper production growth from before and after Constancia, plus extensive permitting issues with its Copper World project in Arizona (that are now resolved). Today, in our view, HBM's valuation reflects a more meaningful growth outlook via the construction of its Copper World, Cactus, and Mason projects, all located in the US (Arizona and Nevada), but, only partially reflects this. Because of the extended period of a low trading multiple, today, HBM appears expensive in an historical context, while appearing inexpensive vs. peer valuations.

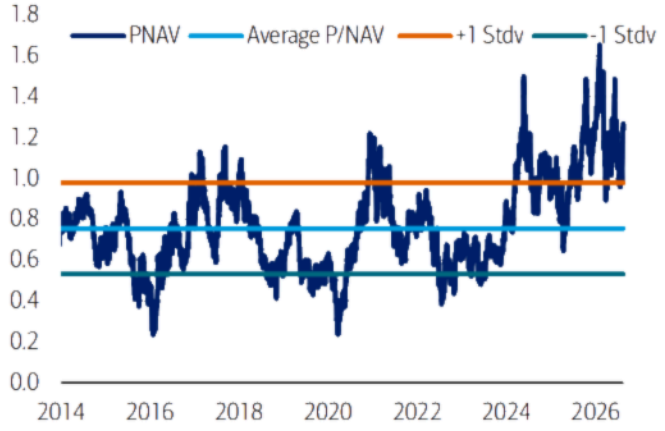
Exhibit 24: HBM is currently trading at 7.56x NTM EV/EBITDA
HBM 14-year EV/EBITDA average is 6.20x (since 2012)



Source: BofA Global Research, Factset

BofA GLOBAL RESEARCH

Exhibit 25: HBM's P/NAV is currently at 1.25x
HBM 12-year P/NAV average is 0.76x (since 2014)

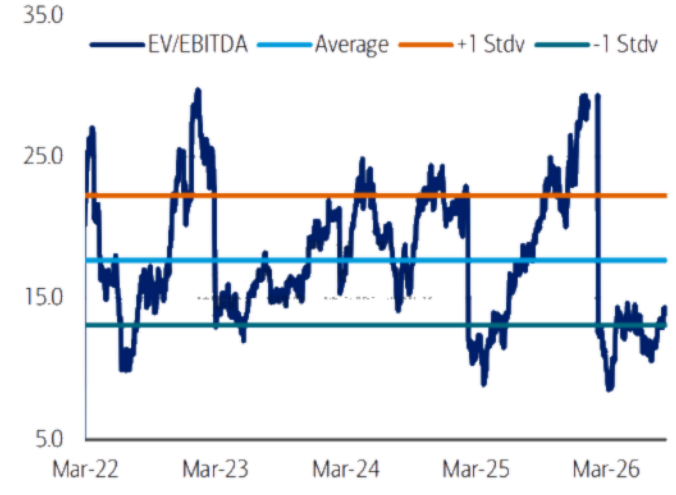


Source: BofA Global Research, Factset

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Ivanhoe Mines (IVN)

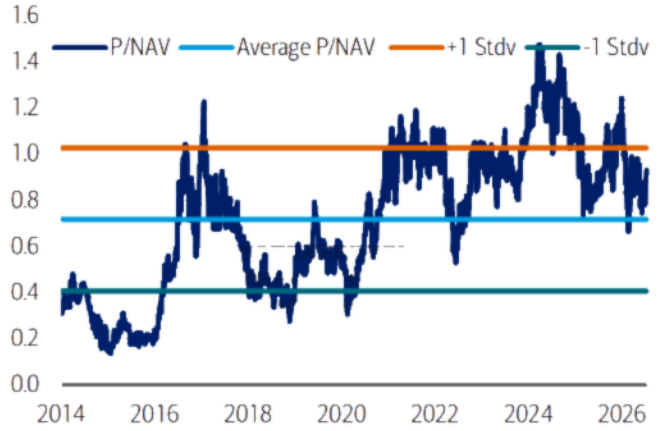
Exhibit 26: IVN is currently trading at 14.38x NTM EV/EBITDA
IVN 4-year EV/EBITDA average is 17.84x (since 2022)



Source: BofA Global Research, Factset

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Exhibit 27: IVN's P/NAV is currently at 0.95x
IVN 12-year P/NAV average is 0.72x (since 2014)

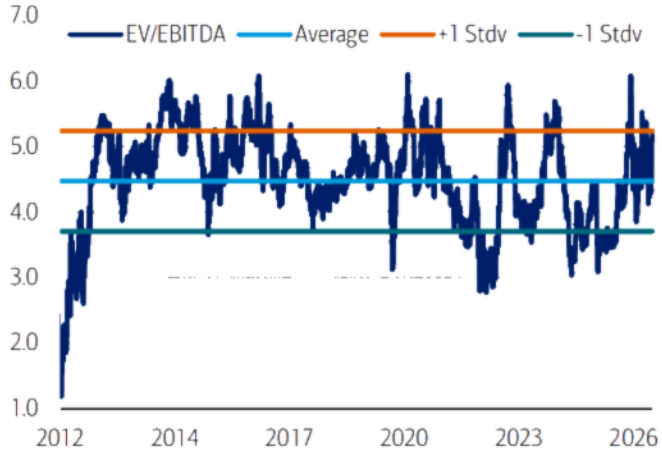


Source: BofA Global Research, Factset

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KGHM Polska Miedz S.A (KGHM)

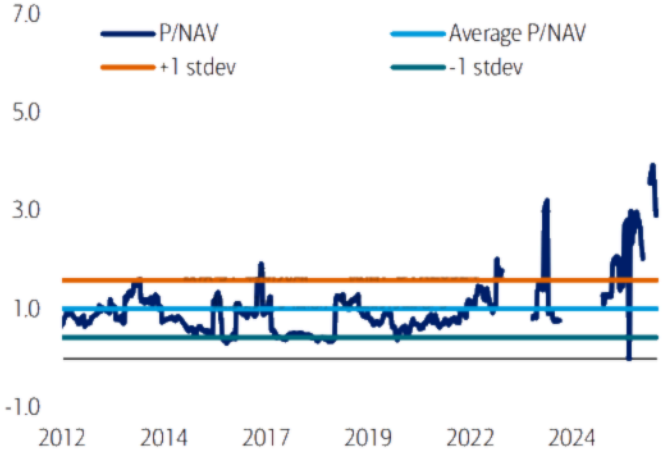
Exhibit 28: KGH is currently trading at 5.02x NTM EV/EBITDA
KGH 14-year EV/EBITDA average is 4.48x (since 2012)



Source: BofA Global Research, Factset

BofA GLOBAL RESEARCH

Exhibit 29: KGH's P/NAV is currently at 3.00x
KGH 12-year P/NAV average is 1.02x (since 2014)

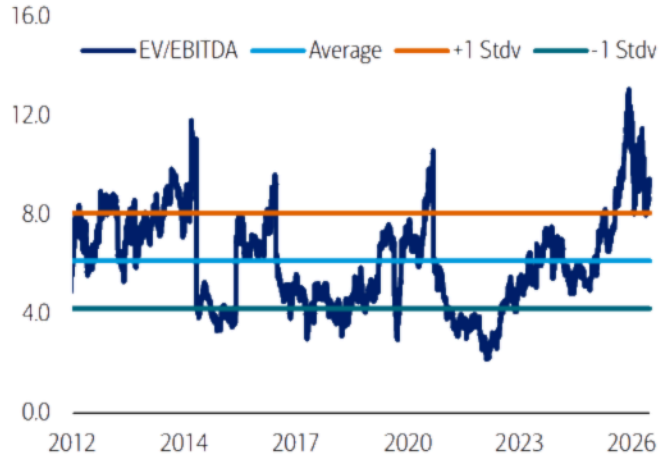


Source: BofA Global Research, Factset

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Lundin Mining (LUN)

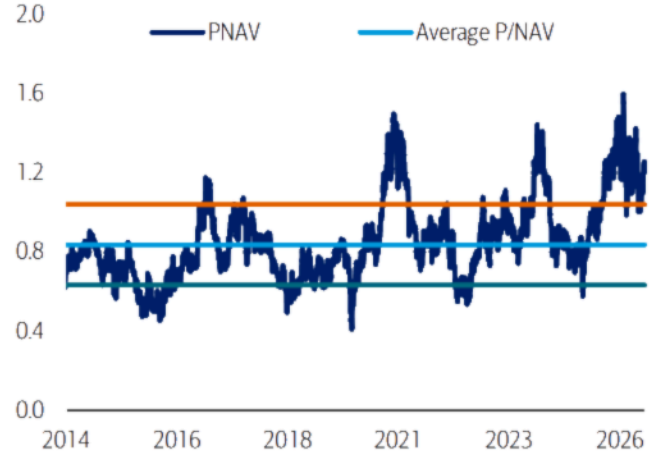
Exhibit 30: LUN is currently trading at 9.42x NTM EV/EBITDA
LUN 14-year EV/EBITDA average is 6.14x (since 2012)



Source: BofA Global Research, Factset

BofA GLOBAL RESEARCH

Exhibit 31: LUN's P/NAV is currently at 1.21x
LUN 12-year P/NAV average is 0.84X (since 2014)

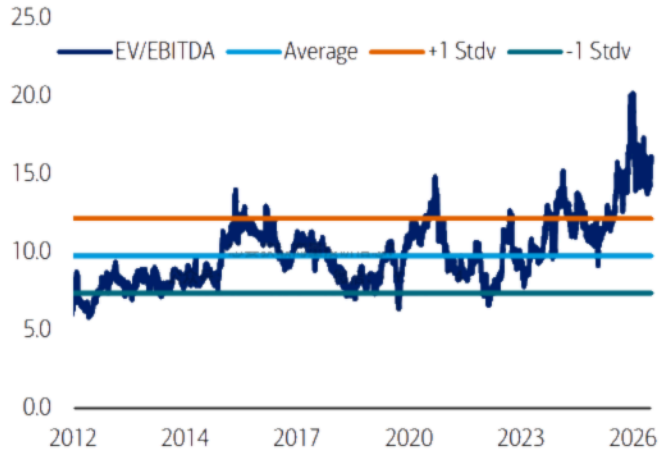


Source: BofA Global Research, Factset

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Southern Copper Corporation (SCCO)

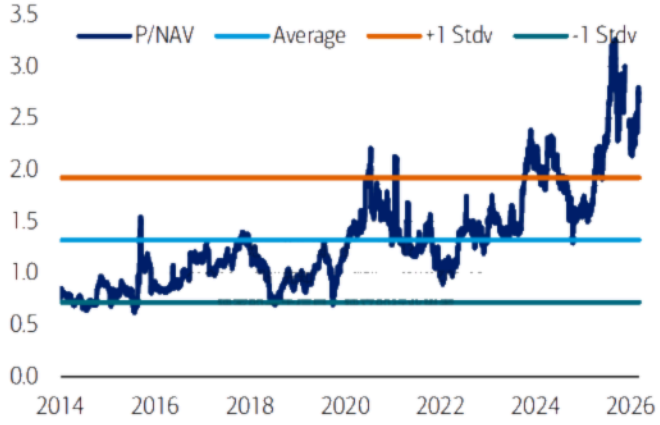
Exhibit 32: SCCO is currently trading at 17.09x NTM EV/EBITDA
SCCO 14-year EV/EBITDA average is 9.78x (since 2012)



Source: BofA Global Research, Factset

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Exhibit 33: SCCO's P/NAV is currently at 2.66x
SCCO 12-year P/NAV average is 1.32x (since 2014)



Source: BofA Global Research, Factset

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Sandfire Resources (SFR)

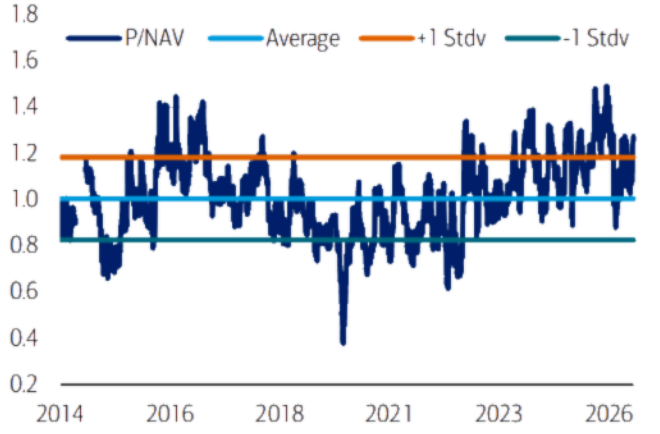
Exhibit 34: SFR is currently trading at 6.68x NTM EV/EBITDA
SFR 14-year EV/EBITDA average is 4.34x (since 2012)



Source: BofA Global Research, Factset

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Exhibit 35: SFR's P/NAV is currently at 1.29x
SFR 12-year P/NAV average is 1.01x (since 2014)



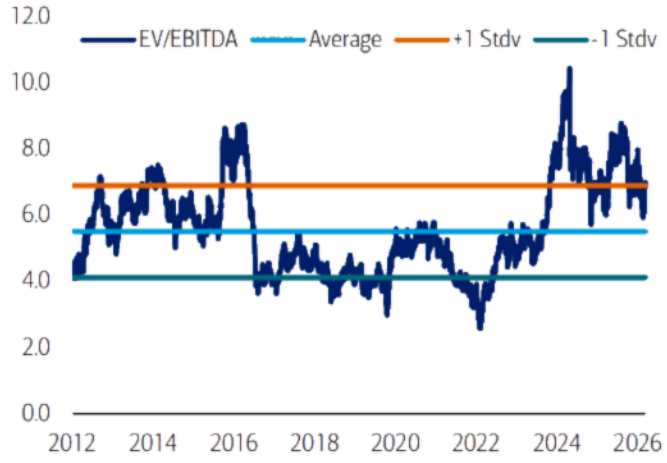
Source: BofA Global Research, Factset

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Teck Resources (TECK)

TECK is similar to AAL in that it has experienced a relatively recent, and notable re-rating higher in its trading multiple. For TECK, this was after the November 2023 announcement that it would sell its metallurgical coal assets, repositioning it as a primary copper producer (with production growth). Applying the historical average trading multiples for the copper peer group to TECK suggests a 6-year EV/EBITDA implied copper price that is modestly higher than the spot copper price, and a 6-year P/NAV implied copper price that is modestly below the spot copper price.

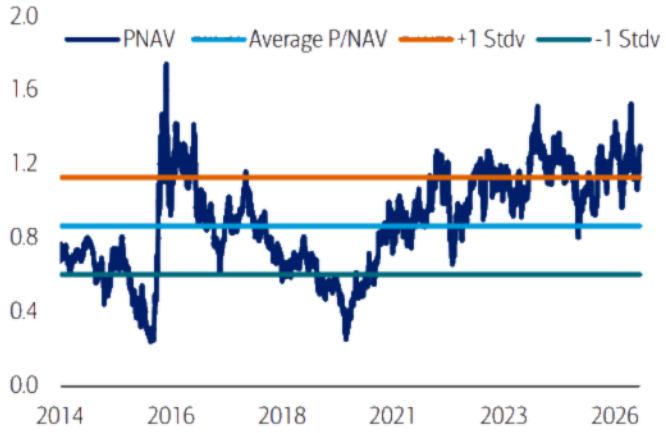
Exhibit 36: TECK is currently trading at 7.05x NTM EV/EBITDA
TECK 14-year EV/EBITDA average is 5.51x (since 2012)



Source: BofA Global Research, Factset

BofA GLOBAL RESEARCH

Exhibit 37: TECK's P/NAV is currently at 1.31x
TECK12-year P/NAV average is 0.87x (since 2014)

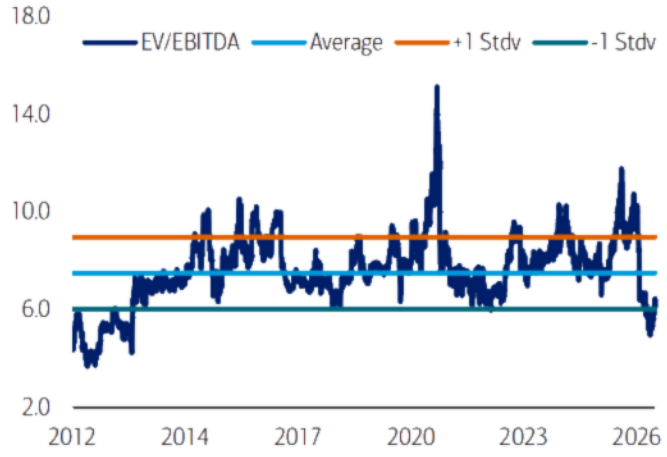


Source: BofA Global Research, Factset

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Zijin Mining (ZIJIN)

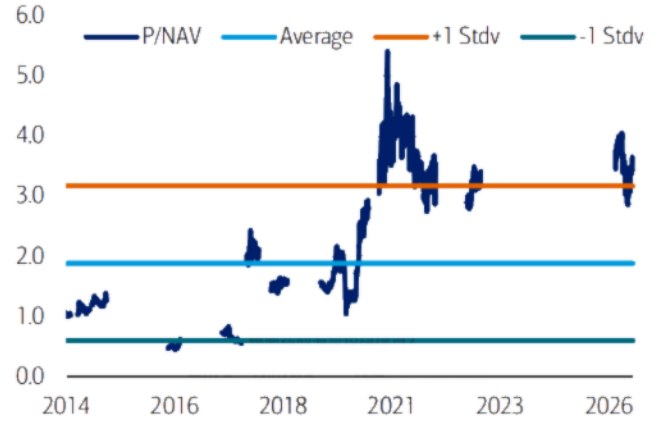
Exhibit 38: 2899-HK is currently trading at 6.20x NTM EV/EBITDA
2899-HK 14-year EV/EBITDA average is 7.49x (since 2012)



Source: BofA Global Research, Factset

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Exhibit 39: 2899-HK's P/NAV is currently at 3.66x
2899-HK 12-year P/NAV average is 1.90x (since 2014)



Source: BofA Global Research, Factset

BofA GLOBAL RESEARCH

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Exhibit 40: Companies mentioned
Companies mentioned in this report

BofA Ticker	Bloomberg ticker	Company name	Price	Rating
ERO	ERO US	Ero Copper	US$ 37.13	C-1-9
YERO	ERO CN	Ero Copper	C$ 51.57	C-1-9
FQVLF	FQVLF US	First Quantum	US$ 33.225	C-2-9
YFM	FM CN	First Quantum	C$ 46.1	C-2-9
IVPAF	IVPAF US	Ivanhoe Mines	US$ 8.71	C-2-9
YIVN	IVN CN	Ivanhoe Mines	C$ 12.08	C-2-9
XLPRF	LUMI SS	Lundin Mining	SEK 256.4	B-1-8
YLUN	LUN CN	Lundin Mining	C$ 37.11	C-1-8

Source: BofA Global Research

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Price objective basis & risk

Ero Copper Corp (YERO / ERO)
Our CAD61/share (US$44/share) PO is a 50/50 blend of 5.5x 2027E EV/EBITDA with our DCF (on a 12.6% WACC, no terminal growth rate as we model through the end of the mine's life). We believe Ero Copper should trade at 5.5x EV/EBITDA, considering a bottom-up approach, as well as a discount to its historical average of around 6x, given higher copper price forecasts.

We consider the downside risks to be i) copper and gold prices significantly below BofA's forecasts over the coming years ii) accelerated depletion of assets, driving a shorter LOM iii) significant BRL appreciation could increase costs - costs are primarily in BRL and revenues are dollarized, and iv) changes in regulation in the Brazilian mining industry.

We consider the upside risks to be i) copper and gold prices significantly outperform our forecasts ii) Ero Copper increases its assets' reserves through exploration and continue to produce after current planned LOM, and iii) the BRL depreciates significantly, increasing results.

First Quantum Minerals (YFM / FQVLF)
Our C$50.00 and US$35.00 price objectives are based on a 9.5x 2026E EV/EBITDA, 9.0x 2027E EV/EBITDA, and 1.00x our NAV estimate, reflecting the long-term value of the suspended Cobre Panamá mine (we assume mine restarts in late-2027E) and the steps taken to strengthen the balance sheet.

Upside risks are stronger than forecast copper prices, early resumption of FM's development projects (Cobre Panamá), favorable local currency changes that lower USD costs, and the potential for First Quantum to become an acquisition target.

Downside risks to our PO are a weaker-than-expected global economy that could impede metal demand growth expectations, affecting our commodity price forecasts. In addition, sovereign risks in Zambia (i.e., challenging geopolitical environment, developing infrastructure) and Panamá (mining a newer industry), ramp-up issues at Cobre Panamá, stronger than forecast local currencies that increase USD costs, labor action, and weather could also impact our FM valuation and PO.

Ivanhoe Mines (YIVN / IVPAF)
Our C$13.00 (US$9.25) price objective is based on 1.05x our net asset (NAV) estimate. The 1.05x price to net asset value (P/NAV) target multiple is at a modest premium to the current trading multiples of global copper producers to reflect its superior production growth, low relative unit costs, a strong balance sheet and solid copper optionality with the 100%-owned Western Foreland property.

Upside risks to our PO are stronger-than-forecast copper prices, faster-than-expected ramp-up of IVN's development projects (in particular, Kamoa-Kakula), the discovery of new mineral resources that become mining projects (Western Foreland has this potential), favorable local currency changes that lower USD costs, participation in the M&A backdrop

Downside risks to our PO are a weaker-than-expected global economy, jurisdictional risks in the Democratic Republic of Congo (DRC) and South Africa (i.e., tax regime changes, mining policy shifts, poorly defined legal frameworks, difficulty in obtaining social license, etc.), ramp-up issues at Kamoa-Kakula, input cost inflation, stronger-than-forecast local currencies that increase USD costs, labor action, and weather.

Lundin Mining Corp (YLUN / XLPRF)
Our C$42.00, US$30.00 and SEK285 per share price objectives for Lundin Mining are based on 11.5x and 11.0x EV/EBITDA multiples applied to our 2026E EBITDA and 2027E EBITDA and 1.0x applied to our net asset value (NAV) estimate. We apply a USDCAD FX rate of 1.42 and a USDSEK FX rate of 9.14. Since 2005, the global base metal producers have traded in an EV/EBITDA range from 2.0x to 13.0x, with Lundin trading at a discount to the average due to it being a smaller company. However, we see potential for a re-rating as LUN executes on its growth strategy including its transformative Vicuña project.

Downside risks to our PO are worse-than-expected economic performance that could impede our metal demand expectations, impacting our commodity price forecasts. In addition, development and/or permitting delays, stronger than forecast local currencies that increase USD costs, worker strike action, several possible technical missteps and weather could also impact our Lundin valuation and PO.

Upside risks are higher-than-forecast commodity prices as well as weakening local currencies, substantial exploration success leading to longer mine lives and/or higher margin ounces, the potential for LUN to become an acquisition target.

Analyst Certification

We, Lawson Winder, CFA, Caio Ribeiro and Guilherme Rosito, hereby certify that the views each of us has expressed in this research report accurately reflect each of our respective personal views about the subject securities and issuers. We also certify that no part of our respective compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

North America - Metals and Mining Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	Agnico Eagle Mines	AEM	AEM US	Lawson Winder, CFA
	Alamos Gold	YAGI	AGI CN	Sathish Kasinathan
	Alamos Gold	AGI	AGI US	Sathish Kasinathan
	Almonty Industries Inc	ALM	ALM US	Lawson Winder, CFA
	Aura Minerals	AUGO	AUGO US	Lawson Winder, CFA
	Aura Minerals	XEDTA	AURA33 BZ	Lawson Winder, CFA
	Barrick Mining	B	B US	Lawson Winder, CFA
	Cameco Corporation	YCCO	CCO CN	Lawson Winder, CFA
	Cameco Corporation	CCJ	CCJ US	Lawson Winder, CFA
	CMC	CMC	CMC US	Sathish Kasinathan
	Freeport-McMoRan	FCX	FCX US	Lawson Winder, CFA
	Hudbay Minerals	YHBM	HBM CN	Lawson Winder, CFA
	HudBay Minerals	HBM	HBM US	Lawson Winder, CFA
	IAMGOLD	YIMG	IMG CN	Sathish Kasinathan
	IAMGOLD Corp.	IAG	IAG US	Sathish Kasinathan
	Kinross Gold	KGC	KGC US	Lawson Winder, CFA
	Lundin Mining	XLPRF	LUMI SS	Lawson Winder, CFA
	Lundin Mining Corp	YLUN	LUN CN	Lawson Winder, CFA
	Lundin Mining Corp	LUNMF	LUNMF US	Lawson Winder, CFA
	MP Materials	MP	MP US	Lawson Winder, CFA
	Newmont Corporation	NEM	NEM US	Lawson Winder, CFA
	Newmont Corporation	XNCRF	NEM AU	Lawson Winder, CFA
	Nucor	NUE	NUE US	Lawson Winder, CFA
	Pan American Silver	PAAS	PAAS US	Lawson Winder, CFA
	SSR Mining Inc.	SSRM	SSRM US	Lawson Winder, CFA
	SSR Mining Inc.	YSSRM	SSRM CN	Lawson Winder, CFA
	Triple Flag Precious Metals Corp.	YTFPM	TFPM CN	Lawson Winder, CFA
	Triple Flag Precious Metals Corp.	TFPM	TFPM US	Lawson Winder, CFA
	Wheaton Precious Metals	WPM	WPM US	Lawson Winder, CFA
NEUTRAL				
	Centrus Energy Corp.	LEU	LEU US	Lawson Winder, CFA
	Cleveland-Cliffs	CLF	CLF US	Lawson Winder, CFA
	First Quantum	FQVLF	FQVLF US	Lawson Winder, CFA
	First Quantum Minerals	YFM	FM CN	Lawson Winder, CFA
	Franco-Nevada	YFNV	FNV CN	Lawson Winder, CFA
	Franco-Nevada	FNV	FNV US	Lawson Winder, CFA
	Ivanhoe Mines	YIVN	IVN CN	Lawson Winder, CFA
	Ivanhoe Mines	IVPAF	IVPAF US	Lawson Winder, CFA
	Steel Dynamics	STLD	STLD US	Lawson Winder, CFA
UNDERPERFORM				
	Alcoa Corporation	AA	AA US	Lawson Winder, CFA
	B2Gold Corp	YBTO	BTO CN	Lawson Winder, CFA
	B2Gold Corp	BTG	BTG US	Lawson Winder, CFA
	Centerra Gold	YCG	CG CN	Lawson Winder, CFA
	Centerra Gold	CGAU	CGAU US	Lawson Winder, CFA
	Eldorado Gold	EGO	EGO US	Lawson Winder, CFA
	Eldorado Gold	YELD	ELD CN	Lawson Winder, CFA
	Reliance, Inc.	RS	RS US	Lawson Winder, CFA
	Royal Gold	RGLD	RGLD US	Lawson Winder, CFA

Latin America - Natural Resources Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	Alpek SAB de CV	ALPKF	ALPEKA MM	Leonardo Marcondes
	Dexco SA	DURXF	DXCO3 BZ	Guilherme Rosito
	Ero Copper Corp	ERO	ERO US	Guilherme Rosito
	Ero Copper Corp	YERO	ERO CN	Guilherme Rosito
	Grupo Mexico	GMBXF	GMEXICOB MM	Caio Ribeiro
	Klabin S.A	XLWDF	KLBN11 BZ	Caio Ribeiro

Latin America - Natural Resources Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	Klabin S.A	KLBAY	KLBAY US	Caio Ribeiro
	Petrobras	PBRQF	PETR3 BZ	Caio Ribeiro
	Petrobras	PBR	PBR US	Caio Ribeiro
	Petrobras PN	PBRA	PBR/A US	Caio Ribeiro
	Petrobras PN	PTRBF	PETR4 BZ	Caio Ribeiro
	PRIO SA	HRTPF	PRIO3 BZ	Caio Ribeiro
	Suzano	XXRTF	SUZB3 BZ	Caio Ribeiro
	Suzano S.A.	SUZ	SUZ US	Caio Ribeiro
	Ternium	TX	TX US	Caio Ribeiro
	Ultrapar	XLRUF	UGPA3 BZ	Leonardo Marcondes
	Ultrapar Pa-ADR	UGP	UGP US	Leonardo Marcondes
	Vibra Energia SA	XUBRF	VBBR3 BZ	Leonardo Marcondes
	Vista Energy	VSOGF	VISTAA MM	Leonardo Marcondes
	Vista Energy	VIST	VIST US	Leonardo Marcondes
	YPF SA	YPF	YPF US	Leonardo Marcondes
	YPF SA	YPFSF	YPFD AR	Leonardo Marcondes
NEUTRAL				
	Brava Energia	XPXXF	BRAV3 BZ	Leonardo Marcondes
	Gerdau S. A.	GGBUF	GGBR4 BZ	Caio Ribeiro
	Gerdau S.A.	GGB	GGB US	Caio Ribeiro
	Metalurgica Gerdau	MZGPF	GOAU4 BZ	Caio Ribeiro
	PetroReconcavo	XPXYF	RECV3 BZ	Leonardo Marcondes
	Vale	VALE	VALE US	Caio Ribeiro
	Vale	VALEF	VALE3 BZ	Caio Ribeiro
UNDERPERFORM				
	Bradespar	BRDQF	BRAP4 BZ	Caio Ribeiro
	Braskem SA-A	BAKAF	BRKM5 BZ	Leonardo Marcondes
	Braskem SA-ADR	BAK	BAK US	Leonardo Marcondes
	CSN	SIDHF	CSNA3 BZ	Caio Ribeiro
	CSN	SID	SID US	Caio Ribeiro
	CSN Mineracao	XZRAF	CMIN3 BZ	Caio Ribeiro
	Ecopetrol S.A.	XESSF	ECOPETL CB	Caio Ribeiro
	Ecopetrol S.A.	EC	EC US	Caio Ribeiro
	Empresas CMPC SA	XEMCF	CMPC CI	Guilherme Rosito
	Empresas Copec SA	PZDCF	COPEC CI	Guilherme Rosito
	Orbia	MXCHF	ORBIA* MM	Leonardo Marcondes
	Southern Copper	SCCO	SCCO US	Caio Ribeiro
	Usiminas SA	USNZY	USNZY US	Caio Ribeiro
	Usiminas SA	USSPF	USIM5 BZ	Caio Ribeiro
RSTR				
	Esentia Energy	EEDVF	ESENTIII MM	Caio Ribeiro

Disclosures

Important Disclosures

Equity Investment Rating Distribution: Non-Ferrous Metals/Mining & Minerals Group (as of 30 Jun 2026)

Coverage Universe	Count	Percent	Inv. Banking Relationships [R1]	Count	Percent
Buy	65	63.73%	Buy	36	55.38%
Hold	21	20.59%	Hold	10	47.62%
Sell	16	15.69%	Sell	7	43.75%

Equity Investment Rating Distribution: Global Group (as of 30 Jun 2026)

Coverage Universe	Count	Percent	Inv. Banking Relationships [R1]	Count	Percent
Buy	1987	56.11%	Buy	1190	59.89%
Hold	797	22.51%	Hold	496	62.23%
Sell	757	21.38%	Sell	391	51.65%

[R1] Issuers that were investment banking clients of BofA Securities or one of its affiliates within the past 12 months. For purposes of this Investment Rating Distribution, the coverage universe includes only stocks. A stock rated Neutral is included as a Hold, and a stock rated Underperform is included as a Sell.