



Legal finance for the metals & mining sector

Metals & mining companies are prone to high stakes disputes with partners, distributors and even nation-states.

An increasing global demand for metals and minerals has driven foreign direct investment and the need for complex agreements and arrangements to protect those investments. But the internationalized nature of the mining industry, its intrinsic complexity and its vulnerability to highly specific business risks also mean that the risk of disputes is ever present.

International energy analysts record that the market size of key energy transition minerals doubled between 2017 and 2022, when it reached a staggering \$320 billion.¹ Extraction-related arbitrations are already among the most prevalent disputes administered by ICSID, which reported that the oil, gas & mining sector accounted for more than a quarter of ICSID cases registered in 2023.²

HOW BUSINESSES USE LEGAL FINANCE

To help manage the high risk and costs associated with meritorious claims, companies in the extraction sector and the outside law firms that work with them can look to legal finance. Legal finance enables businesses in the metals & mining sector to maximize their recoveries in commercial disputes by covering lawyers' fees and expenses. Increasingly, however, monetization financing arrangements are gaining in popularity among claimants involved in arbitrations. In a monetization, capital is advanced against the future value of pending claims, and it can be used for general business purposes in addition to the pursuit of the claim.

Burford advances capital on a non-recourse basis, meaning that the businesses that work with us owe nothing unless and until the arbitration or litigation is successful, thereby eliminating the downside risk of loss. We provide financing at any stage, from pre-litigation to appeal as well as post settlement. And because Burford is a passive investor, we do not control a business's litigation decisions or impact existing attorney-client relationships.

BURFORD'S ARBITRATION FINANCE SOLUTIONS

We provide a range of custom capital solutions, at any stage of a dispute, that enable companies to address urgent business challenges and add quantifiable value to their organizations.

- **Monetization:** Burford provides an immediate, upfront payment as an advance on the expected value of a pending claim or award, enabling businesses with significant recoveries to accelerate cash payments and reduce risk.
- **Fees and expenses:** Burford provides capital to pay fees and expenses for a single, high-value commercial matter, relieving budget pressure and removing downside risk while enabling the business to hire its firm of choice.
- **Portfolio finance:** Businesses involved in several arbitration or litigation matters can use portfolio finance to cover all or partial fees or expenses and create significant liquidity.
- **Asset recovery:** Burford's global asset tracing team helps businesses address enforcement challenges, transforming award and judgment debts from "legal paper" into cash.
- **Risk management and insurance:** Burford Worldwide Insurance Limited offers adverse costs insurance for funded matters, mitigating risk in cost-shifting jurisdictions.

CASE STUDY

An international minerals and mining company had been operating a mine for over a decade. The company's exploration and exploitation licenses relating to the developments of its mines were expropriated following a political transition. The company immediately initiated arbitration proceedings, which were likely to take many years to complete and place a significant burden on the business. Burford provided \$20 million in legal finance to offset the cost and risk of pursuing the lengthy matter.

Why Burford?

- **Team:** Burford's in-house underwriting team is ranked Band 1 by Chambers and draws from leading arbitration groups at top-tier firms and includes published experts in the field
- **Scale:** With a current investment portfolio of \$7.2 billion, Burford has unmatched capacity to finance commercial litigation and arbitration
- **Experience:** Burford has financed more than 50 high-value international arbitration matters in all the world's leading arbitration centers
- **Professionalism and transparency:** We are the institutional-quality legal finance partner—dual-listed on the New York Stock Exchange (NYSE: BUR) and London Stock Exchange (LON: BUR) and with a track record and reputation that reflect well on our counterparties

Jeffery Commission

Director
jcommission@burfordcapital.com

Christiane Deniger

Director
cdeniger@burfordcapital.com

Florencia Villaggi

Vice President
fvillaggi@burfordcapital.com

¹ Lexology, "Controversial International Mining Arbitrations and the Impact of 'Social Licence' – Lessons Learned and Future Planning," Getting The Deal Through Mining Practice Guide (Nov. 8, 2023). Available at: <https://media.velaw.com/wp-content/uploads/2023/11/07100150/Controversial-International-Mining-Arbitrations-and-the-Impact-of-%E2%80%98Social-Licence--Lessons-Learned-and-Future-Planning.pdf>.

² "The ICSID Caseload—Statistics," International Centre for Settlement of Investment Disputes (2023-2). Available at: https://icsid.worldbank.org/sites/default/files/publications/2023.ENG_The_ICSID_Caseload_Statistics_Issue.2_ENG.pdf.