



Global Insolvency: 2025 Reflections and 2026 Projections

Sector | Mining

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Mining

In 2025, the mining sector faced increased financial challenges, mirroring global insolvency patterns.

Restructuring became more common among mid-tier and junior operators, especially those dealing with critical minerals, as market conditions worsened.

01

Oversupply and Margin Pressure

The year began with weak prices for lithium, nickel, coal, and iron ore, as supply growth outstripped demand. The concentration of processing and refining in a few regions heightened operational risks and cash flow fluctuations, particularly for non-integrated and mid-tier producers.

This imbalance squeezed liquidity and made restructuring more likely for operators with limited market diversification.

02

Tariffs and Trade Barriers

In 2025, tariff changes and evolving trade policies increased costs and disrupted established supply routes for raw materials and intermediates.

Miners and processors adapted by rerouting shipments, renegotiating offtake agreements, and building liquidity buffers to manage working capital challenges.

03

Geopolitical Uncertainty

A fragmented geopolitical landscape continued to reshape mineral supply chains, with changes in licensing, royalty adjustments, and infrastructure constraints raising execution risks.

The geographic concentration of reserves and processing means that location-specific disruptions can quickly impact:



Supply and prices



Delaying project timelines



Limiting access to capital





Examples of filings in 2025

South Fork Coal Co. (parent White Forest Resources)

Filed for Chapter 11 on 7 February 2025 in the U.S. Bankruptcy Court, District of Delaware, following environmental enforcement actions and litigation.

Strandline Resources

Entered voluntary administration in Australia on 25 February 2025.

Dartbrook Coal Mine

External administration appointed in July 2025 by Deloitte due to a loan default of A\$174 million.

Lucapa Diamond Company

Entered administration after a cost-cutting exercise driven by trade tariff pressures affecting diamond pricing and demand.

Bowen Coking Coal in Australia

Appointed an administrator in July 2025 amid declining coal prices and a payment dispute with a contractor. The company faces high debt, low coal prices, and elevated royalty rates.

2026 Outlook



01 Commodity Price Volatility

Oversupply and uneven demand recovery pose risks for lithium, nickel, and iron ore. If prices remain low while operating costs rise, mid-tier and junior miners could face liquidity stress and refinancing challenges. Prolonged margin compression might lead to covenant breaches and accelerate restructuring.

02 Tariff and Trade Policy Pressures

Trade tensions and reciprocal tariffs are reshaping supply chains, increasing landed costs, and disrupting logistics. Ongoing tariff uncertainty into 2026 may squeeze working capital and erode profitability, prompting distressed operators to consider formal restructuring or asset sales.

03 Geopolitical Risk

Resource nationalism, permitting delays, and regulatory changes are intensifying. These factors can delay projects, increase compliance costs, and restrict access to financing, leaving vulnerable operators exposed to insolvency risk.

04 Aging Infrastructure

Smelters, concentrators, and other processing facilities in key regions are reaching the end of their life cycle, requiring significant capital for modernization. Operators unable to fund upgrades or meet ESG standards may face production bottlenecks and lender pressure, accelerating restructuring scenarios.

Links used:

PwC Mine 2025: Concentrating on the future

<https://www.pwc.com/gx/en/industries/energy-utilities-resources/publications/mine.html>

<https://www.pwc.com/id/en/energy-utilities-mining/assets/global-mine-2025.pdf>

PwC's US Tarriff Industry Analysis under incoming Trump Administration

<https://www.pwc.com/us/en/services/tax/library/pwc-tariff-industry-analysis-under-incoming-trump-administration.html>

PwC America in Motion: Trade positions are taking shape: What's your next move

<https://www.pwc.com/us/en/america-in-motion/trade-positions-take-shape.html>

PwC America in Motion: Managing geopolitical risk in a more turbulent world – 7 things to consider

<https://www.pwc.com/us/en/america-in-motion/managing-geopolitical-risk.html>

PwC Global Mining and metals – landing page

<https://www.pwc.com/gx/en/industries/energy-utilities-resources/mining-metals.html>

PwC's US Tariff Industry Analysis: an update on the current impact to companies

<https://www.pwc.com/us/en/services/tax/library/pwc-us-tia-update-on-the-current-impact-to-companies.html>

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