

## SCP LATAM Special: Reloading the discovery and M&A pipeline

**Apollo Silver (APGO CN):** Initiating with BUY rating and C\$0.90/sh PT

RISK RATING: **SPEC**

**Cerro de Pasco (CDPR CN):** Initiating with BUY rating and C\$0.65/sh PT

RISK RATING: **SPEC**

**Greenheart Gold (GHRT CN):** Initiating with BUY rating and C\$2.90/sh PT

RISK RATING: **VENTURE**

**Titan Minerals (TTM AU):** Initiating with BUY rating and A\$1.40/sh PT

RISK RATING: **SPEC**

**Unico Silver (USL AU):** Initiating with BUY rating and A\$0.80/sh PT

RISK RATING: **SPEC**

*Latin America has always been a key hunting ground for mining investors. It's a huge region, with diverse and rich geological terranes, from the copper-gold porphyries of the Andes, the epithermal / CRD deposits of Mexico and Peru, to the Archean geology of the Guiana Shield. With the return of geopolitics, we think investors, mid-tiers and majors are increasingly refocusing on the western hemisphere, and recent M&A means that a new generation of development projects and discoveries are needed to replenish the resource triangle. To add to our existing coverage of top Latam developers (ASL, GGD, GTWO, SLVR) we initiate coverage on what we think are the next generation of the Latam pipeline and discuss our favorite jurisdictions.*

### Political trends are positive including turnarounds in Mexico, Peru, and Argentina

Brazil remains in favour, combining efficient permitting with good infrastructure and supply chains. Argentina arguably has improved the fastest under President Javier Milei while Peru and Chile have pivoted back to a pro-investment stance with key projects receiving recent permits. We think Mexico is the best catalyst driven trade: a traditional Tier I jurisdiction with great geology and projects, and we think trade tensions give new President Sheinbaum cover to pivot back to a development friendly stance for quality projects. Guyana and Suriname offer Archean geology with significant exploration upside, while we think Colombia and Ecuador offer similar upside for porphyry and epithermal deposits.

### Significant M&A means the region's mid-tiers will need a new generation of developers

Latam has seen significant evolution. G Mining and Lundin Gold changed the landscape by developing Tier I assets, Reunion merged with GMIN and GTWO is a major M&A target with AngloGold taking a cornerstone shareholding. Hochschild and Aura have emerged as consolidators and Pan American's acquisition of Yamana's Latam Assets, Coeur's acquisition of Silvercrest, and First Majestic's merger with Gatos means we see a big gap in the silver market.

**Apollo Silver (TSXV-APGO):** A silver junior with Calico (101Moz Ag) in California and Cinco de Mayo (153Moz AgEq) in Mexico recently optioned from MAG. Our thesis: Apollo's team—behind Prime Mining's growth—can unlock Cinco's high-grade CRD upside (e.g., Pegaso's 61.6m at 398g/t AgEq), trading at a steep US\$0.08/oz EV discount to peers' US\$0.50-1.25/oz ahead of renewing its social license lost by MAG Silver years ago and drilling 20,000m. We initiate with a BUY rating and C\$0.90/sh PT at a conservative US\$0.50/oz AgEq.

**Cerro de Pasco (TSXV-CDPR):** High grade ~130-160g/t AgEq tailings from the historic Cerro de Pasco mine operated by Volcan. The key breakthrough was securing mineral rights and access easements last year enabling drilling and study work now underway. Located on infrastructure, CDPR estimates ~75Mt of high-grade tailings which we think could produce SCPe 7-14Mozpa AgEq at 10-20ktpd using conservative 40% recovery. We initiate with a BUY rating and C\$0.65/sh PT based on 0.50x SCPe NAV<sub>8%-30/oz Ag</sub>.

**Greenheart Gold (TSXV-GHRT):** Spun out from Reunion's ~5.9Moz discovery and C\$875m sale, Greenheart holds five prime Guiana Shield plays near major mines and geological settings akin to Reunion's Oko West discovery. With C\$45m cash and a proven team, we see potential for early drill-driven gains like Founders Metals and discovery upside. We initiate with a BUY rating and C\$2.90/sh PT, on a top-tier 5Moz+ setting, premium portfolio, and a lean strategy—solid risk-reward in our view.

**Titan Minerals: (ASX-TTM):** 3.1Moz at 2.2g/t Au with another 22Moz Ag, we like Titan's Dynasty Project's combination of exploration upside targeting 5Moz, but also see a lower risk starter project targeting the near surface (52% in first 100m) ounces for an open pit table SCPe 100-150kozpa Au. This year sees a targeted MRE update, PEA and met tests. We initiate with a BUY rating and A\$1.40/sh PT based on US\$50/oz AuEq.

**Unico Silver: (ASX-USL):** Consolidated 160Moz AgEq in two packages: Cerro Leon and Joaquin for US\$0.10/oz AgEq. With 10,000m of drilling underway, we see potential for an initial 200Moz AgEq this year and ~300Moz next year targeting an 80-100Moz AgEq Ag-Au reserve to feed a 4ktpd mill scenario producing ~7Mozpa. We initiate with a BUY rating and A\$0.80/sh PT based on US\$1.25/oz AgEq.

\*\* SCPe valuation metrics and metals equivalency calculations used in this report were based on SCPe LT metal price estimates unless otherwise stated. SCPe LT prices: US\$2,300/oz Au, US\$30/oz Ag, US\$2,500/t Zn, US\$2,200/t Pb, US\$8,929t Cu

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## The LATAM Advantage: Western aligned, growing mid-tiers, good for developers

Over the past few years, the pipeline of development ready assets and major discoveries has been depleted. Major mine builds in the sector included Lundin's Fruta del Norte in Ecuador, G Mining's Tocantinzinho (TZ) in Brazil and Continental's Buriticá in Colombia which was bought by Zijin. The next generation of Tier I assets has already seen M&A with G Mining acquiring Guyana's Reunion Gold and AngloGold now firmly on G2 Goldfields's register. In the 100-150kozpa end of the market, Brazil was very active with Equinox's Santa Luz and Aurizona, Hochschild's Mara Rosa (acquired via Amarillo Gold) and Aura Gold's Borborema (acquired via Big River Gold) built or currently in construction. On the silver side, three top assets in Mexico have been built in the last five years: Las Chispas (Silvercrest), Los Gatos (Gatos), and Juanicipio (MAG Silver / Fresnillo), with Las Chispas and Los Gatos consolidated by Coeur and First Majestic, respectively. We believe this leaves a significant gap in the market for the next generation.

Moreover, at this gold and silver price, and with the overhang from Newmont's asset sales removed, we expect producers to be active buyers: Of the larger names, we think Lundin, G Mining and Orla are potential movers while we think Hochschild, Aris and Mineros are all potential suitors for projects in the 75-100kozpa range. Below we highlight Latam precious producers. With producers trading at average US\$700m per 100kozpa of annual production, and average US\$1,446/oz AISC, we think there's room for producers to accretively buy and build new projects as evidenced by Hochschild's purchase and development of Amarillo's Mara Rosa.

**Table 1. Selected Latam precious metal producers**

Company	Mcap	EV	Trading Volume	Production		AISC		TAC	P/NAV	EBITDA Margin		EV/100kozpa		EV/oz AuEq		Life		FCF Yield		EV/EBITDA	
	(US\$m)	(US\$m)	(US\$m/d)	2024A	2025E	2024A	2025E	2025e	(x)	2024E	2025E	2024A	2025E	Reserve	Resource	Reserves	Resources	2025E	2026E	2025E	2026E
				(koz)	(koz)	(US\$/oz)	(US\$/oz)	(US\$/oz)		%	%			(US\$/oz)	(US\$/oz)	(years)	(years)	%	%	(x)	(x)
<b>Latin America</b>																					
Fresnillo	8,580	8,458	19.4	1,546	1,400	1,508	--	--	1.3x	47%	46%	547	604	749	132	8.1	45.9	9%	8%	5.1x	5.4x
Lundin	7,184	6,716	11.9	502	500	875	965	2,155	1.7x	67%	67%	1,338	1,343	1,190	697	11.3	19.3	8%	8%	7.5x	7.4x
Equinox	3,077	4,223	4.0	622	703	1,612	1,685	1,904	0.8x	46%	54%	679	601	219	90	27.5	66.7	15%	22%	3.8x	2.8x
G Mining	2,640	2,330	1.4	64	188	--	1,060	2,207	0.9x	51%	69%	--	1,243	1,147	218	--	--	-2%	-1%	31.0x	7.0x
Orla	2,625	2,494	3.3	137	115	736	925	1,457	1.2x	57%	55%	1,824	2,169	532	149	40.8	145.3	5%	16%	13.1x	5.3x
Torex	2,033	2,035	4.5	453	425	1,156	1,500	1,901	0.8x	52%	57%	450	479	401	225	12.0	21.3	10%	19%	3.4x	2.8x
Calibre	1,812	1,888	4.3	242	255	1,583	1,550	2,001	0.7x	49%	55%	779	740	451	145	16.4	51.1	1%	20%	4.3x	2.8x
Hochschild	1,485	1,776	5.5	356	364	1,535	1,637	2,627	2.5x	49%	51%	499	488	990	91	4.9	53.8	12%	12%	3.3x	3.0x
Aura	1,222	1,345	0.2	267	283	1,320	1,433	1,644	0.8x	49%	49%	503	475	211	54	22.5	88.4	9%	14%	3.8x	3.4x
Aris	748	1,196	1.2	211	253	1,173	1,525	1,695	0.3x	33%	42%	567	474	170	40	27.9	117.4	-3%	38%	4.7x	2.3x
Mineros	396	319	0.0	213	212	1,551	1,700	1,869	0.5x	43%	41%	150	151	169	103	8.9	14.6	22%	20%	1.4x	1.5x
Jaguar	150	113	0.1	65	74	1,618	1,650	1,890	0.5x	--	--	174	152	240	34	6.4	44.7	18%	31%	--	--
<b>Average / Sum</b>	<b>31,951</b>	<b>32,894</b>	<b>55.7</b>	<b>4,677</b>	<b>4,771</b>	<b>1,379</b>	<b>1,446</b>	<b>1,877</b>	<b>1.2x</b>	<b>49%</b>	<b>52%</b>	<b>703</b>	<b>689</b>	<b>471</b>	<b>131</b>	<b>14.6</b>	<b>52.6</b>	<b>7%</b>	<b>12%</b>	<b>5.2x</b>	<b>4.2x</b>

Source: Factset trading metrics, company public filings, SCPe estimates

Since December 2019 we count 28 M&A transactions in the Latam gold space involving at least one public company. The average multiple paid was 0.5x NAV, US\$146/oz for reserves and US\$39/oz for resources. Relative to the prevailing gold price, acquirors paid 7.8% of the prevailing gold price for reserves and 2.2% for resources, equivalent to US\$227/oz for reserves and US\$63/oz resources at US\$2,900/oz Au or trimming this to transactions above US\$20m, the averages increase to 0.6x NAV, 8.7% insitu for reserves and 2.3% for resources.

**Table 2. Selected precedent transactions in Latam precious > US\$20m, 2019-2024**

Transaction Details						Valuation										Metal Price	
Acquirer	Target	Ann. Date	Target Type	Country	Stage	Transaction Value	P/NAV	CF	EBITDA	Prod.	EV 2P	M&I	M&I+	EVinsitu	2P	M&I+	Au
						(US\$m)	(x)		(x)		(US\$/oz Au)			%			(US\$/oz Au)
Zijin Mining	Continental Gold	Dec-02-2019	Corporate	Colombia	Construction	\$1,241	0.8x	14.9x	5.8x	--	\$324	\$223	\$104	21.4%	6.9%		\$1,514
AngloGold Ashanti	G2 Goldfields Inc. (11.7%)	Dec-19-2023	Corporate	Guyana	Resource Estimate	\$14	0.4x	n.a.	--	n.a.	n.a.	\$529	\$97	--	4.9%		\$1,981
Hochschild	Amarillo Gold	Nov-30-2021	Corporate	Brazil	Feas	\$98	0.4x	n.a.	n.a.	--	\$108	\$85	\$85	6.0%	4.7%		\$1,799
G Mining Ventures	Reunion Gold	Apr-22-2024	Corporate	Guyana	PEA	\$573	0.5x	nmf	--	n.a.	n.a.	\$134	\$98	--	4.5%		\$2,160
Zijin Mining	Rosebel (95%) & Saramacca (66.5%)	Oct-18-2022	Asset	Suriname	Production	\$401	1.3x	5.5x	3.5x	\$2,523	\$122	\$72	\$65	7.1%	3.8%		\$1,725
Managem Group	Bambouk Assets (IAMGOLD)	Dec-20-2022	Asset	Suriname	Feas	\$282	1.2x	n.a.	n.a.	n.a.	\$197	\$97	\$59	11.1%	3.3%		\$1,771
G Mining Ventures	Tocantinzinho Gold Project	Jul-13-2021	Asset	Brazil	Feas	\$110	0.4x	n.a.	n.a.	--	\$62	\$52	\$50	3.3%	2.7%		\$1,871
Zijin Mining	Guyana Goldfields	Jun-03-2020	Corporate	Guyana	Production	\$208	1.2x	nmf	--	--	\$100	\$59	\$39	5.8%	2.3%		\$1,731
Dundee Precious	INV Metals	May-31-2021	Corporate	Ecuador	Feas	\$74	0.2x	n.a.	n.a.	\$433	\$37	\$28	\$24	2.1%	1.4%		\$1,764
Aura Minerals	Big River Gold	Apr-19-2022	Corporate	Brazil	Feas	\$53	0.2x	n.a.	n.a.	n.a.	\$33	\$28	\$22	1.7%	1.1%		\$1,936
B2Gold Corp.	Gramalote (50% - AngloGold)	Sep-18-2023	Asset	Colombia	Scoping Study	\$60	0.4x	nmf	0.2x	\$211	n.a.	\$28	\$21	--	1.1%		\$1,944
Argonaut Gold	Alto Gold	Mar-30-2020	Corporate	Mexico	Production	\$86	0.4x	n.a.	n.a.	\$1,096	\$30	\$19	\$18	1.9%	1.2%		\$1,572
Zacatecas Silver Corp.	Esperanza Gold (Alamos)	Feb-27-2022	Asset	Mexico	Scoping Study	\$21	0.7x	n.a.	n.a.	n.a.	\$18	\$17	--	0.9%			\$1,810
Gran Colombia	Gold X	Mar-15-2021	Corporate	Guyana	Scoping Study	\$156	0.9x	n.a.	n.a.	--	n.a.	\$22	\$16	--	0.9%		\$1,870
GCM Mining Corp	Aris Gold Corporation	Jul-25-2022	Corporate	Colombia	Production	\$97	0.3x	1.3x	0.9x	\$4,103	\$55	\$20	\$13	3.0%	0.7%		\$1,837
Zijin	La Arena (PAAS)	May-01-2024	Asset	Peru	Feas	\$295	1.0x	nmf	3.3x	\$2,281	\$860	\$17	\$16	40.0%	0.7%		\$2,148
Pilar Gold	Pilar	Apr-19-2021	Asset	Brazil	Production	\$38	0.8x	n.a.	n.a.	--	\$143	\$32	\$12	8.0%	0.6%		\$1,784
Mako Gold	GoldSource	Mar-25-2024	Corporate	Guyana	PEA	\$23	0.1x	nmf	--	n.a.	n.a.	\$20	\$13	--	0.7%		\$2,021
HelioStar	Ana Paula (Argonaut)	Dec-06-2022	Asset	Mexico	Pre-Feas	\$30	0.4x	n.a.	n.a.	n.a.	\$29	\$9	\$9	1.7%	0.5%		\$1,713
<b>Mean</b>						<b>\$203</b>	<b>0.6x</b>	<b>7.2x</b>	<b>2.7x</b>	<b>\$1,065</b>	<b>\$161</b>	<b>\$79</b>	<b>\$41</b>	<b>8.7%</b>	<b>2.3%</b>		<b>\$1,840</b>
<b>Median</b>						<b>\$97</b>	<b>0.4x</b>	<b>5.5x</b>	<b>3.3x</b>	<b>\$322</b>	<b>\$100</b>	<b>\$28</b>	<b>\$22</b>	<b>5.8%</b>	<b>1.2%</b>		<b>\$1,810</b>

Source: Company public filings, SCPe, gold prices from Bloomberg

## Narrowing down top jurisdictions: geology, permitting and politics

Africa attracted significant investment in the last 15 years driven by prolific gold geology and fast permit turnaround times. It has since become trickier with investment focused on a smaller number of jurisdictions due to security and geopolitical concerns, particularly in Mali and Burkina Faso. In Latin America we focus less on security, although it can be a factor in specific regions within countries, and more on permitting which can be quite variable depending on the country, prevailing politics (socialist or conservative), and specific location (land use, indigenous populations, lack of government investment). Of course, geology plays a major factor in how we evaluate risk factors: large, high margin projects have the cash flow to reinvest in infrastructure and maintaining social license.

Some quick heuristics we use to narrow down top projects:

- In the northern Andes, we look for drill permits (and water permits), community agreements and the makeup of the local population – these factors can vary significantly by project/location.
- In the southern Andes water availability is a major factor to consider, also the case in Northern Mexico.
- In the Guiana Shield, access (and ownership) can be challenging and is a factor to consider, although explorers are increasingly able to operate efficiently in this environment. Permitting can be exceptionally quick too.
- Federal politics affect permitting more in Mexico, Colombia, Ecuador, Peru, and Chile and less in Brazil due to different governance and permitting frameworks.
- Central Mexican states tend to see faster permitting with better water availability but note that mine permitting is done at the Federal level. Small scale projects are environmentally permitted at the state level but large-scale projects are at the Federal level.

Below we review the top jurisdictions in our view.

*In short, we like Brazil for its efficient permitting process and the fact that developing new gold mines has been a reliable steppingstone for mid-tiers to bulk up: Yamana, Equinox, Hochschild and now G Mining are good examples. We like the Guyana Shield (Guyana, Suriname, NE Brazil) for exploration potential also fast permitting - this is the region that best resembles West Africa but without the same political/security risk.*

*The Andean Cordillera (we focus on Colombia, Ecuador, Peru, Chile, Argentina) has similar geological upside for porphyry and epithermal deposits, but politically these countries tend to cycle between pro-development and populist/socialist governments. We think Argentina and Ecuador have pro-business governments, while Peru and Chile are improving with recent permitting wins – Rio2's Fenix in Chile and Southern Copper's Tia Maria in Peru. We think Colombia is currently more challenging but the election in 2026 could change that.*

*Mexico has long been a Tier 1 jurisdiction that became challenging under former President AMLO, but we think it represents a significant opportunity under the new President Sheinbaum. We think recent permitting wins including Alamos Gold's Puerto Del Aire (PDA) and Avino's La Preciosa UG signal bigger movement to come. Given economic pressure facing Mexico, we think Mexican UG (safer) and open pit (more torque) developers are a great trade opportunity.*



## SCP Latam Coverage:

Gold

- **G Mining (GMIN CN, BUY C\$21.00/sh PT):** CY25 guidance of 175-200koz @ US\$995-1,125/oz AISC from TZ in Brazil with potential 8-10% CFO Yield in 2H25 in step with building Oko West in Guyana to transform the company to >500koz pa in <3 years, a figure akin to peer Lundin Gold (~US\$6.7bn EV).
- **Mineros (MSA CN, BUY C\$3.00/sh PT):** 210koz at US\$1700/oz AISC producer with mines in Colombia and Nicaragua. Has been a consistent 7-10% dividend yield payer on a 20% FCF yield (SCPe US\$80m FCF). Own for free cash flow generation and dividend yield with potential for growth/diversification.
- **G2 Goldfields (GTWO CN, BUY C\$4.10/sh PT):** Seasoned Guyana explorer with 3.1Moz @ 2.9g/t including 2.1Moz @ 5.8g/t UG MRE immediately adjacent to G Mining's mine build (early works started).
- **Meridian Mining (MNO CN, BUY C\$2.30/sh PT):** Low-cost Brazilian gold-copper developer's Cabaçal PFS shows 141koz pa at US\$742/oz AISC, trading at 0.11xNAV5% vs. peers' 0.3-0.6x. With C\$16M cash, it's set to re-rate by 2H25 DFS and 1Q26 FID.
- **Titan Minerals (TTM CN, BUY A\$1.40/sh): new initiation:** 3.1Moz at 2.2g/t Au in Ecuador, our thesis here is there's potential for a low-strip 1.0-1.5Moz at 1.4-2.0g/t open pit project, with exploration potential to target 5Moz with lateral extensions and at depth.
- **Greenheart Gold (GHRT CN, Buy C\$2.90/sh PT) new initiation:** Reunion Gold spin out now premium explorer in the Guiana Shield, with \$45m cash and five compelling prospects.

Silver

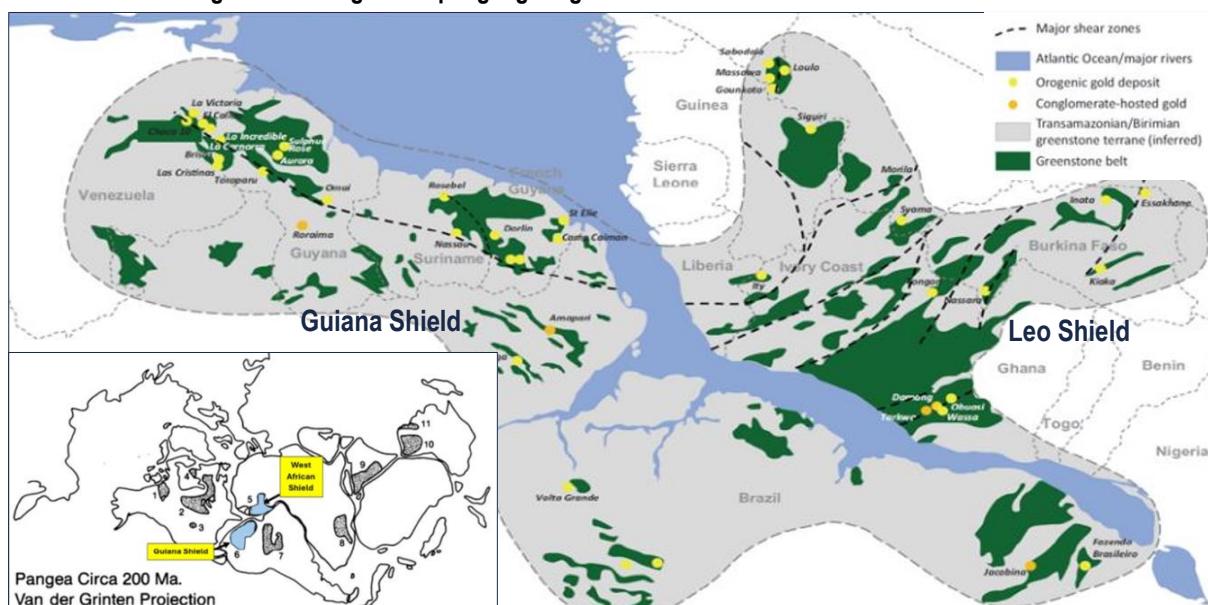
- **GoGold (GGD CN, BUY C\$4.60/sh PT):** GoGold's Los Ricos South DFS shows a US\$355m NPV (5%), 28% IRR, and 2.6-year payback (US\$26.80/oz Ag, US\$2,330/oz Au, US\$4.00/lb Cu). Underground permits, due by March 2025, could trigger June construction with US\$76m cash. At 0.2x NAV vs. peers' 0.8-1.9x, we see strong re-rate potential as permits and production are near.
- **Andean Precious Metals (APM CN BUY C\$2.20/sh PT):** 110-120koz AuEq (10-11Moz AgEq) producer with the Golden Queen Mine in California, USA, and the San Bartolome silver oxide mill in Bolivia. Net cash balance sheet, SCPe 20% FCF yield, and a good track record, we see APM as a growth vehicle.
- **Andean Silver (ASL AU, BUY A\$2.90/sh PT):** Same team behind Firefly and Bellevue Gold. ASL has 91Moz at 342g/t AgEq in Chile, including 11.5Moz at 939g/t AgEq in underground M&I resources, with three rigs driving a 40,000m this year, and two MRE updates in 1Q25/3Q25 towards SCPe 200Moz+ potential. Leveraging existing mine and mill infrastructure, this could restart quickly, but the bottom line is ounce growth.
- **Silver Tiger (SLVR CN, BUY C\$1.60/sh PT):** Silver Tiger's El Tigre PFS outlined a US\$222m NPV (5%), 40% IRR, and 2-year payback, with a pit amendment pending. The PFS only included the El Tigre's open pit, but an initial 1H25 underground PEA (110Moz at 223 g/t AgEq) should provide the first look at the underground's contribution of higher-grade feed. Trading at 0.18x NAV, we think it's a low-capex, ~5Moz pa AgEq asset and potential M&A target on the back of major catalysts.
- **Unico Silver (USL AU, BUY A\$0.80/sh PT): new initiation:** Consolidated 160Moz AgEq in Santa Cruz, Argentina, we see potential to grow the resource to 300Moz AgEq, then focus on the best 80-100Moz to show a 10-year 7Mozpa mine life at 4ktpd through a mill. We like the jurisdiction and growth.
- **Cerro de Pasco Resources (CDPR CN, Buy C\$0.65/sh PT): new initiation:** High grade tailings (130-160g/t AgEq) cleanup opportunity in Peru on infrastructure. We see potential for 7-14Mozpa AgEq potential on conservative assumptions to be refined by drilling and metallurgical testing this year.
- **Apollo Silver (APGO CN, Buy C\$0.90/sh PT): new initiation:** holds Calico (101Moz Ag) and new Cinco de Mayo (153Moz AgEq) option from MAG. Cinco's CRD upside (61.6m at 398g/t AgEq never followed up) should gain market visibility once access is granted, trading very cheap at US\$0.08/oz EV in situ.

## Guiana Shield rises: Exploring for the other half of Africa's gold

Deep in the jungles of South America, where vines choke the rivers, lies a geological terrane that could rival West Africa's goldfields. The Guiana Shield—a vast, untamed slab of ancient rock—is waking up. Offshore oil production and gold discoveries are restoring market visibility, and while Majors like Zijin (Aurora, Rosebel) and Newmont (Merian, CY24: 274koz @ US\$1,850/oz AISC) have operated here for years, new players including Anglo Gold Ashanti (C\$22m in G2 Goldfields), G Mining Ventures (C\$875m for Reunion Gold), and B2 Gold (~C\$14.7m in Founders Metals)—are piling in. New licenses are being scooped up by greenfield explorers including **Greenheart Gold (GHRT CN)** and **Miata Metals (MMET CN)**—both with attractive prospects and drills turning. G2 Goldfield's (GTWO CN) has also disclosed plans to spin out licenses into a 'G3' spin co and 'do it again'.

About 165 million years ago during the Mid-Jurassic breakup of Gondwanaland, which began with the opening of the Atlantic Ocean, the West African (Leo) Shield, which now comprises the countries of Ghana, Mali, Burkina Faso, Guinea, Liberia and Côte d'Ivoire, split apart from the Guiana Shield in northern South America, which includes Brazil, Venezuela, Guyana, Suriname and French Guiana, (Figure 1). Connecting the two continents, **the same greenstone belts** (2.3 to 1.8 Ga) of Ghana and Côte d'Ivoire, which host world class orogenic gold deposits, are interpreted to be linked to northeastern Brazil whereas linking the greenstone belts hosted in Venezuela, Guyana, Suriname and French Guiana to West Africa are more tenuous (Figure 1), albeit geology doesn't lie, even if the data's still firming up. Unlike West Africa, the Guiana Shield is still one of the least known Precambrian terrains in the world due to deep rainforest, limited outcrop (heavily weathered rocks), up to 50m of sand cover, up to 80m of saprolite, and limited access—preserving the discovery upside in our view as oil revenues and foreign investments are being made to transform the country's infrastructure.

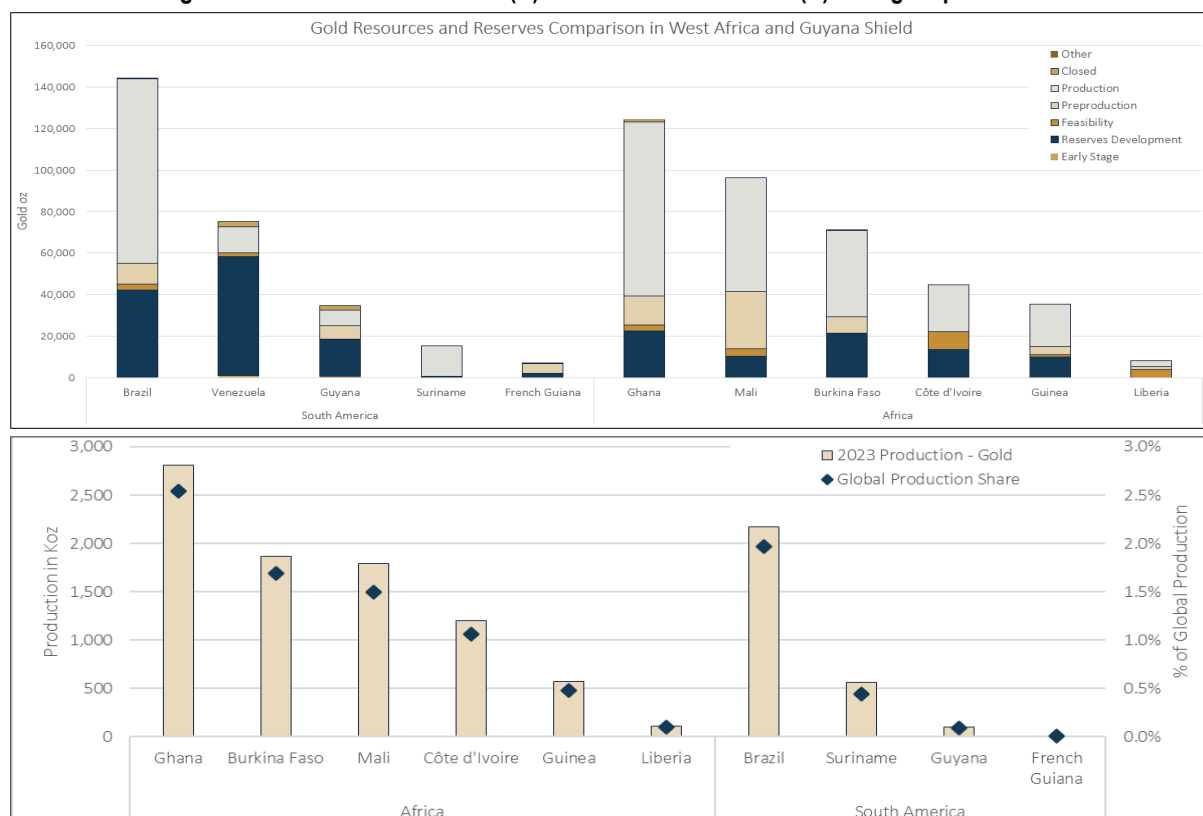
**Figure 1. Geological map highlighting the connection of Leo and Guiana shields**



Source: (A) Workshop on Tectonic Evolution of Greenstone Belts, 1986, (B) Geological Survey of Canada File 8351, 2018

**Gold production:** The Leo Shield of West Africa and the Guiana Shield together boast 655Moz of gold—reserves and resources—eclipsed only by Canada. The majority (55-60%) is in West Africa with a smaller portion (40-45%) in the Guiana Shield, (Figure 2). Brazil and Venezuela, with bigger populations and better infrastructure, claim ~80% of the Guiana Shield's gold endowment, but their coastal focus leaves Guyana and Suriname's inland riches largely untouched—here lies the opportunity. Although the Guiana Shield holds 40-45% of the total endowment of the combined greenstone belts of West Africa and northern South America, it generates a smaller fraction of global production (2.5% versus 7.4%), (Figure 2). Brazil's copper-gold mines in Pará's Carajás district carry the load, while Guyana and Suriname limp at 0.5% of 2023's haul—evidence, in our view, of the exceptional potential to discover more mines in Suriname and Guyana. As demonstrated by Reunion Gold's Oko 5.8Moz Oko West (acquired by G Mining in 2024 for C\$875m) and G2 Goldfield's 3.1Moz Oko-Ghanie discoveries. We discuss this further below.

Figure 2. Guiana and Leo shields (A) Resource and Reserves (B) 2023 gold production

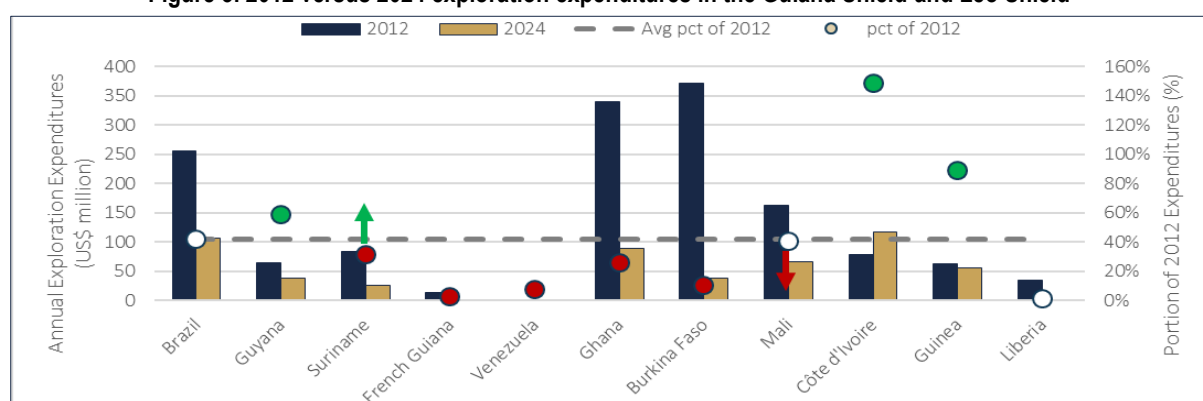


Source: S&amp;P Global Market Intelligence

**Exploration**, specifically by non-cash-flowing junior companies, is driven not only by potential endowment but also by other factors including commodity prices, which underpin sentiment. On average, 2024 exploration expenditures spent in the countries in the Guiana and Leo Shields are 35-40% of its peak in 2012, (Figure 3). The underperforming countries including Burkina Faso, Venezuela, and French Guiana have geopolitical and/or security issues with anti-mining groups. We suspect that the creeping nationalism and security risks of operating in Mali will divert funds from that jurisdiction in 2025. Outperformers included Côte d'Ivoire, Guinea and Guyana. Given the endowment and lack of geopolitical risks associated with operating in some West African countries, we would venture that more exploration expenditures may be directed to Guyana and Suriname.

The Guiana Shield's untouched terrain rivals the world's best greenstones for gold potential, but unlocking it takes local know-how. In Guyana, mining rights hinge on deals with locals and the state—a hurdle that tends to deter majors like Barrick, who lean on joint ventures with in-country experience to get a foothold land position. Moreover, artisanal miners, scratching out clues in an underexplored land short on data, point out where the gold is—*knowing who to call, where to drill, and how to move fast is the edge that pays off in our view. Precisely why we like Greenheart Gold (GHRT CN) and G2 Goldfields (GTWO CN).*

Figure 3. 2012 versus 2024 exploration expenditures in the Guiana Shield and Leo Shield



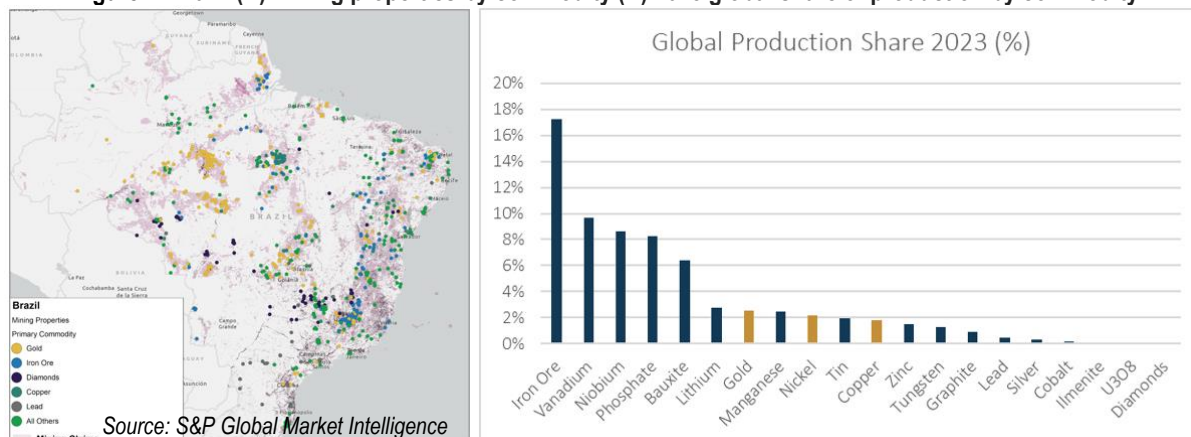
Source: S&amp;P Global Market Intelligence



## Brazil – A steppingstone for mid-tier producers

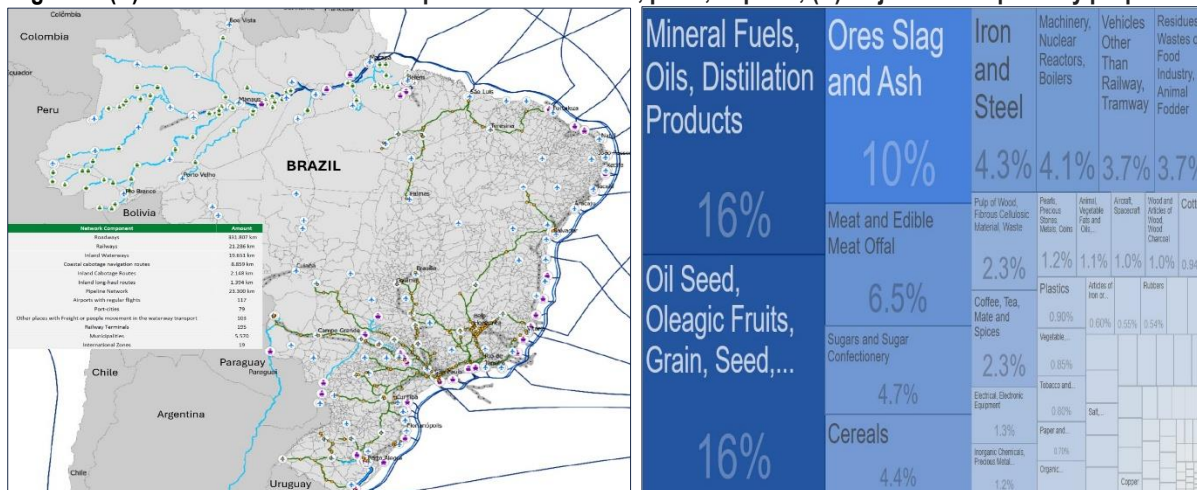
Brazil is nearly half of South America's landmass and population. Key mining regions include the Carajás Basin in Pará (Vale's S11D iron ore, Salobo copper-gold) and the Quadrilátero Ferrífero in Minas Gerais (AngloGold's Morro Velho gold). In the NE (Para and Amapá) it also hosts Guiana Shield orogenic gold deposits.

**Figure 4. Brazil (A) mining properties by commodity (B) 2023 global share of production by commodity**



**Overview:** Brazil ranks second globally for iron ore (~17% of world supply), third for nickel (~7%), and dominates niobium (~90%). Over 213,544 mining claims stretch 2,500 km from Porto Alegre to Belém and Natal to the Amazon's source, per S&P Global (Figure 4). Beyond ferrous metals, gold (2.5% of global production) and copper (1.8% of global production) tap varied deposits. Ore from mining operations constitutes 10% of Brazil's exports, (Figure 5B), and the majority of which are destined for China (31%), the US (11%), Argentina (5%) and the Netherlands (3-4%).

**Figure 5. (A) Brazilian infrastructure map: road / rail network, ports, airports; (B) Major CY23 exports by proportion**



Source: NLP 2035, Tradingeconomics.com

**Permitting:** Brazil has a hybrid system – mineral rights are managed by the federal AMN but states are responsible for environmental permitting – permits can be as short as 1-2 years in key mining states (Minas Gerais, Goiás, Para). Royalities are 60% distributed to states and municipalities, reducing local friction.

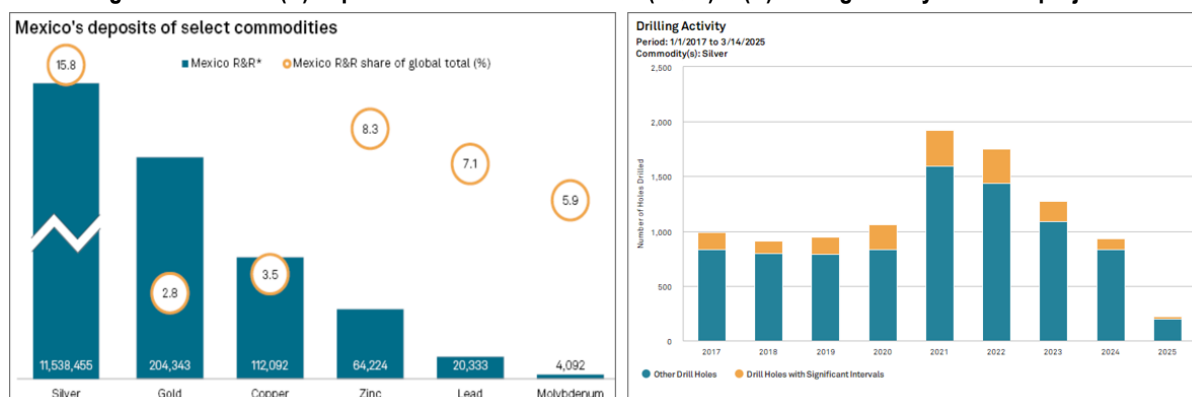
**Our view:** Brazil is the most enduringly pro mining country in the region under both right and left wing governments. For gold and copper the knock was its deposits tend to be smaller (often 100kozpa Cu or 20-40ktpa Cu) but at these prices we think these are highly sought after. What makes Brazil stand out is that it been a buy and build steppingstone for so many mid-tiers, from Hochschild-Amarillo, Equinox building Aurizona and Santa Luz, and G Mining's successful TZ build (on the larger side for Brazil). This makes Brazil a Tier 1 jurisdiction in our view – good low strip 100kozpa assets that can get permits and have mid-tier suitors.

## Mexico: A catalyst-driven trade opportunity amid trade tensions

Mexico emerges as a catalyst-driven trade opportunity, with Tier-1 geology and a fresh political chapter under President Claudia Sheinbaum. It leads globally in silver (23% of output) and taps gold, copper, and zinc from the Sierra Madre Occidental's mineral-rich volcanic belt (Figure 6). Major players like Fresnillo and Grupo México thrive there, cementing its elite rank despite AMLO's 2018 concession freeze, which stalled projects and nudged investors toward other jurisdictions like Morocco. With Sheinbaum at the helm, that bottleneck could crack open.

**A recap:** AMLO's tenure was a body blow to mining. His refusal to grant new concessions—none issued in over six years—halted exploration momentum, slashing investment from \$1.2bn in 2012 to \$572m by 2022, per the Mexican Mining Chamber (Camimex). In February 2024, he upped the ante, proposing a constitutional ban on open-pit mining, a method accounting for 60% of Mexico's output, including giants like Grupo México's Buenavista del Cobre and Newmont's Peñasquito. The bill, part of a broader reform package, sailed through a lower house committee in August 2024, buoyed by Morena's electoral sweep in June. Yet, it stalled before reaching a full congressional vote by AMLO's exit on October 1st, 2024, lacking the two-thirds Senate majority needed amid fierce industry pushbacks. Camimex warned of a 1% GDP hit and 200,000 job losses, while miners like Fortuna Silver slashed Mexican investment from 50% to 10% of their global spend. While exploration remained steady during the run up of prices in 2021, constraints on new exploration licenses dampened investment during the downturn and combined with permitting constraints has put a chokehold on projects.

Figure 6. Mexican (A) deposits of select commodities (1Q24) & (B) drilling activity for silver projects



Source: S&P Global Market Intelligence

**What's changed?:** Sheinbaum, AMLO's protégé, inherited this standoff in October 2024. Her campaign echoed his environmental rhetoric, pledging to uphold the open pit ban. But her first act as president—omitting it from her 100 pledges on October 4th, 2024—was the first signal reaffirming our thesis. In a December 2024 statement, she called for a “thorough review” of the ban, citing its clash with lithium and sand extraction needs—a pragmatic pivot from AMLO's zealotry. **Recent public commentary amplifies the shift:** at the PDAC Conference on March 7th, 2025, Mexico's Minister of Mines hinted that “key mining permits are expected soon” and suggested open-pit mining is “back on the table”, with a new regulatory framework expected by June.

**Our view:** While the majors like Agnico and Alamos are poised to gain, we think the most torque for investors is in quality developers and explorers. Moreover, we think Mexico's pipeline, stalled by a six-year permit freeze, is poised for a breakout under President Sheinbaum. We favour advanced developers GoGold Resources (GGD CN) and Silver Tiger Metals (SLVR CN), with explorer Apollo Silver (APGO CN) as a speculative pick (See our initiation on page 13).

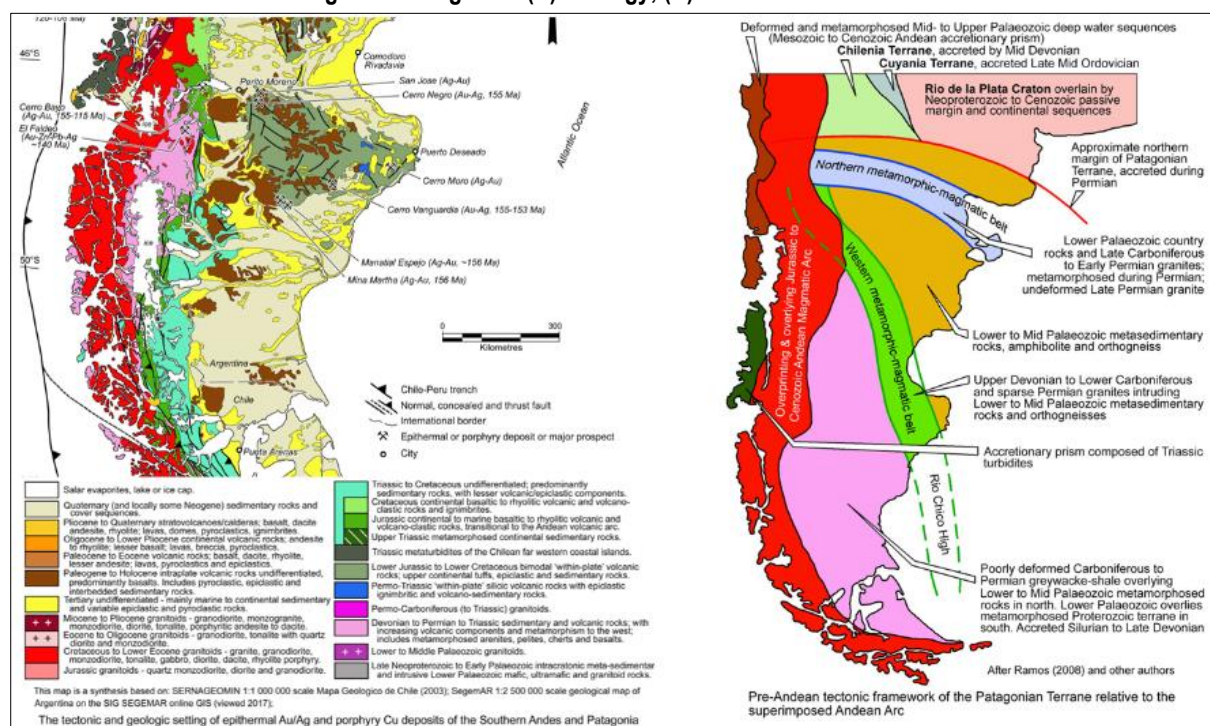
## The Andean Cordillera: Geologically rich, permits key, politics trending back in the right direction

South America's Andean Cordillera is undisputedly geologically rich. Chile and Peru host numerous large-scale porphyry copper deposits, with exploration extending to Argentina, Colombia and Ecuador. The region features important epithermal gold-silver, polymetallic VMS, and IOCG deposits. Historically, Chile, Peru and Colombia maintained pro-business policies, while Ecuador was more nuanced and Argentina politically complex. Following a 2018-2022 leftward shift, the region is trending toward centrism with Milei's pro-business Argentine government leading this pivot, and Chile and Peru adopting more pragmatic approaches. Colombia faces challenges with permitting and illegal mining, and we're hoping for improvement after the 2026 election.

## Argentina: Rapid improvement under new President Milei, we see potential for Au, Ag and Cu development

The San Juan Cu-Au Belt in the central-western Andes hosts porphyry-epithermal deposits including Veladero (Au) and the Vicuña District (Cu-Au), with El Pachón (Cu) in development. Southern Patagonia's Deseado Massif in Santa Cruz province contains the Au-Ag epithermal systems of Cerro Vanguardia (AngloGold) and Cerro Negro (Newmont). Argentina is also a major lithium producer from the Lithium Triangle (Salta, Jujuy and Catamarca).

**Figure 7. Patagonian (A) Geology; (B) Tectonic Framework**



Source: Porter Geo

**Overview:** Argentina is the world's fourth-largest Li producer with Cu, Au and Ag production as well. Mining accounts for ~1% of GDP, with room to grow noting BHP's / Lundin's significant investments in developing the Vicuña District and Rio Tinto's acquisition of Arcadium (Li). President Milei (2023-present) has enacted pro market reforms including the RIGI legislation which offers 30-year financial incentives (incl 25% tax, 7% dividend WHT, import duty exemptions, progressive exemptions from repatriating export proceeds) for projects >US\$200m.

**Permitting:** The Federal Ministry sets policy, but provinces issue permits in Argentina, thus permitting varies greatly by location. Lithium permits have been achievable within two years, but copper assets in the same regions have taken longer due to water permits. In our experience, Santa Cruz, Catamarca, Salta and Jujuy are seen as easy to permit, San Juan and Mendoza can be more challenging but achievable. Up to 50% of mining taxes go to provinces which tends to ease tensions over operations once permitted relative to federally regulated countries.

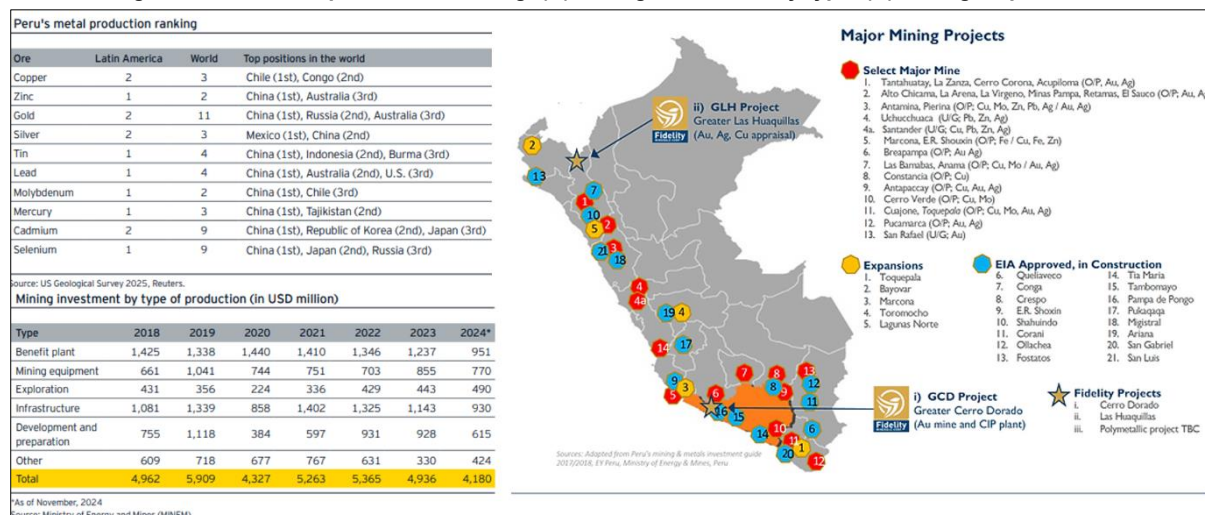
**Our view:** We think Argentina is the fastest improving country in the region. Although starting from a low base (mining is ~1% of GDP), we think the new RIGI legislation is a major incentive for project development. While Argentina's project pipeline isn't as advanced as some other jurisdictions, we think it will develop quickly.



## Peru: Great geology albeit majors dominate large projects, pick spots on permitting, politics improving a

The country hosts the Southern Peru Copper Belt (Arequipa-Moquegua-Tacna) with major mines Cerro Verde, Cuajone, Toquepala and Quellaveco; the Northern Peru Skarn Belt (Cajamarca) with Yanacocha gold and Antamina copper-zinc operations; the Central Polymetallic Belt (Cerro de Pasco-Junín) containing Toromocho copper and numerous zinc-lead mines; and the Eastern Gold Belt along the Marañón River (Amazonas) with Poderosa and Retamas operations. Mines are permitted federally by the Ministry of Energy and Mines (MINEM).

**Figure 8. Peru metal production ranking; (B) Mining investment by type; (C) Mining map of Peru**



Source: Metal production and mining investment from EY Peru's mining and metals investment guide 2025; Map from Fidelity Metals 2020

**Overview:** A key jurisdiction for mining investors, Peru ranks as the world's third-largest copper producer (10% of global supply), third for silver (12%), 11th for gold (5%), and second for zinc (11%). Mining accounts for 8.5% of GDP, 63.9% of exports and 22.8% of inbound Foreign Direct Investment (FDI). Mining faced headwinds under President Pedro Castillo (July 2021-Dec 2022), but he was removed following an attempt to circumvent Congress amidst protest over high inflation and low growth. President Dina Boularte (Dec 2022-present) has pursued a more centrist policy, and key projects have advanced including restart of Southern Copper's Tía María copper mine in Arequipa (US\$1.8bn budget).

**Permitting:** Southern Peru, with established infrastructure and less population density, often sees smoother permitting, as with Quellaveco and San Gabriel, though Southern Copper's Tía María in Arequipa faced local pushback tied to water and land concerns. Northern and central highlands face more consistent indigenous and community opposition, often linked to water rights and ILO Convention 169 consultation (an international agreement requiring governments to consult indigenous peoples), pushing timelines beyond five years. Peru's centralized permitting under the Federal Ministry of Energy and Mines (MINEM) accelerates approvals—Quellaveco's initial permits took 18 months, aiding investors when political stability holds. 50% of mining taxes are distributed to local regions; this can be a point of contention for local communities.

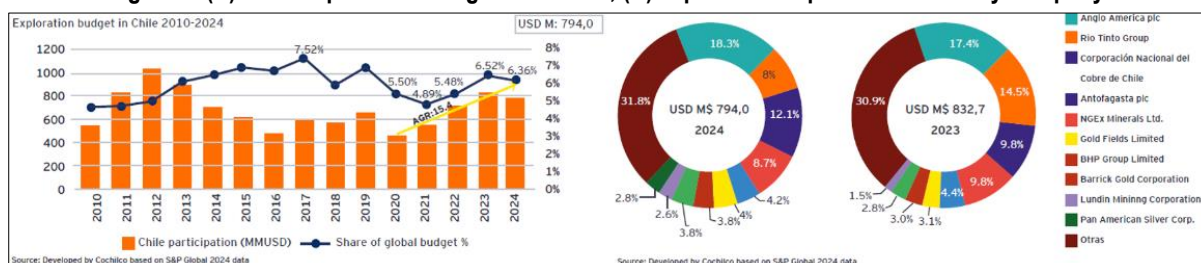
**Our view on Peru:** Good geology, particularly for copper and silver-lead-zinc polymetallic assets, albeit much of the attractive copper exploration is owned by majors/mid-tiers. Permits are the key gating analysis beyond project technical quality but assets in production trade at strong multiples, particularly for copper.

## Chile: Historic Tier 1 jurisdiction, permitting improved after Boric U-turn, process can be slow

**Chile**, home to distinct geological formations spanning from the mineral-rich Atacama Desert in the north to the Andes mountain range along its eastern border, is the largest copper producer (24% of world supply), second in lithium (30%), and ranks 21st for gold (1.2%). Mining accounted for 14% of 2024 GDP (Dec 2024) and 42% of inbound FDI. The country's major mining districts include the northern regions of Antofagasta (hosting world-class mines like Escondida and Chuquibambilla), Atacama (with significant lithium operations in the Salar de Atacama), and Tarapacá (containing major copper and gold deposits), while central mining regions like Coquimbo host important operations such as Los Pelambres. The sector faced challenges under President Gabriel Boric's early tenure (March 2022–present), with initial plans for tax increases and stricter regulations but the government pivoted in 2023 to focus on economic growth after losing popularity in 2022 due to high inflation.

**Overview:** Since 2023, permitting has gained momentum. Rio2's Fenix Gold project in Atacama secured environmental approval in October 2024 after addressing previous concerns, representing a significant permitting breakthrough. Antofagasta's Los Pelambres expansion received approvals and continues construction. Ongoing expansions include BHP's Escondida and Codelco's Chuquibambilla Subterranea block cave project. Major projects like Freeport-McMoRan's El Abra expansion and Kinross Gold's Lobo-Marte remain in planning stages.

**Figure 9. (A) Chile exploration budget 2010-2024; (B) exploration expenditure share by company**



Source: EY Chile's mining and metals investment guide 2025; Developed by Cochilco based on S&P Global 2024 data

**Permitting:** Regionally, northern Chile (Antofagasta, Atacama) attracts approximately 77% of projected investments, leveraging established infrastructure and deposit proximity. Central regions like Coquimbo face stricter community and environmental hurdles, affecting projects like Teck's QB2, particularly regarding water resources and Indigenous consultation under ILO Convention 169. Chile's centralized permitting, managed by the Ministry of Mining and SERNAGEOMIN, can be efficient when aligned with national priorities, though major projects typically require 2-4 years for full approvals. This centralized approach ties permitting to political priorities, creating variability between administrations, and executives including BHP's Bold Bataar are quoted as advocating for streamlining of the permitting process. Communities often criticize the royalty and tax distribution system (income taxes 100% federal, royalties 65% federal, 35% local) for insufficient local benefits, contributing to tensions in mining regions.

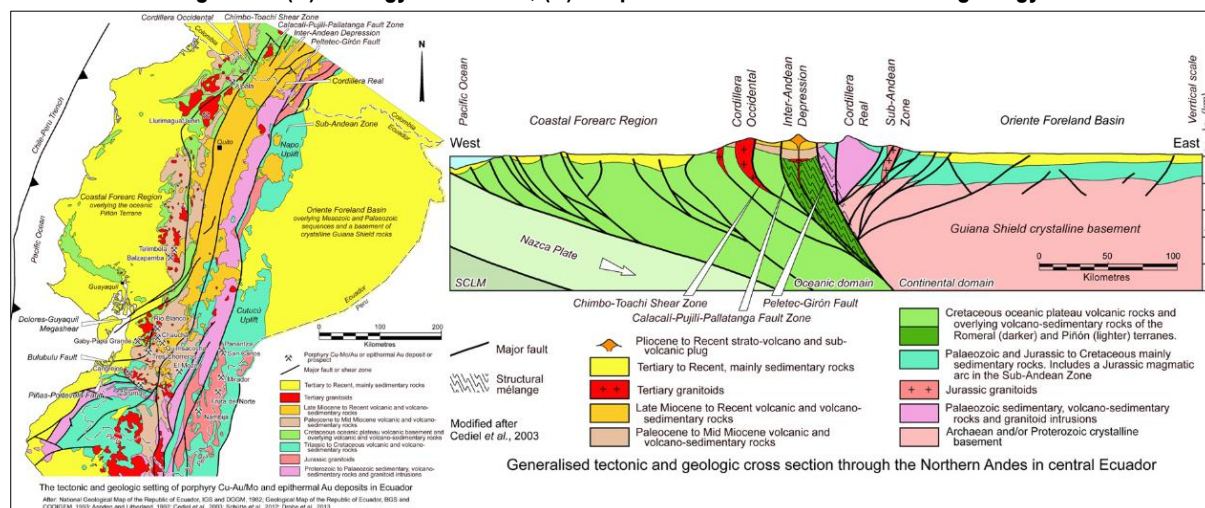
**Our view on Chile:** World class geology particularly for copper porphyries but assets are dominated by majors. In the junior space there are some copper development projects that are either lower grade and big capex, some IOCG exploration plays and some heap leach gold assets. When evaluating projects (beyond tonnes, grade, met, mining etc) we tend to focus on water availability and permits, local communities (less of an issue in the North but water becomes more important), and permitting stage (baseline studies and EIS can delay projects). Andean Silver (ASL CN) for example, stands out with >100-year water rights, permitted mine and mill infrastructure, and growing primary silver-gold endowment.



## Ecuador: New copper-gold discoveries, constructive government, permitting is case by case

Ecuador, situated along the mineral-rich Andean Metallogenic Belt, features several distinct geological domains including the copper-gold Northern Andean Belt (hosting Cascabel/Alpala), the gold-rich Linderos Belt in the southwest (containing Fruta del Norte), and the promising Cordillera del Cóndor in the southeast (home to Mirador and Mirador Norte). These metallogenic provinces follow the country's north-south mountain ranges, with most significant deposits concentrated in southern provinces like Zamora Chinchipe and El Oro, as well as in the northern province of Imbabura.

Figure 10. (A) Geology of Ecuador; (B) Simplified cross section of Ecuador geology



Source: Porter Geology

**Overview:** Mining lagged under leftist President Rafael Correa (2007–2017, PAIS Alliance), who prioritized oil but approved some projects like Mirador. Conservative President Guillermo Lasso (2021–2023, CREO) and centrist President Daniel Noboa (2023–present, ADN) have shifted to pro-mining policies, targeting US\$4.5bn in investment by 2028, per the Ministry of Energy and Mines. Post-Correa, Ecuador's mining industry has seen strong growth with Lundin Gold's Fruta del Norte (~500kozpa) and Ecuacorriente's (CRCC-Tongguan) Mirador Copper Mine (~100ktpa Cu) in production since 2019. It hasn't been universally positive, as indigenous opposition has thus far prevented development of the nearby San Carlos-Panantza copper project from advancing. Adventus's (now Silvercorp's Curipamba (El Domo), received construction permits in 2024 while Solaris' Warintza Cu project received exploration permits in 2024.

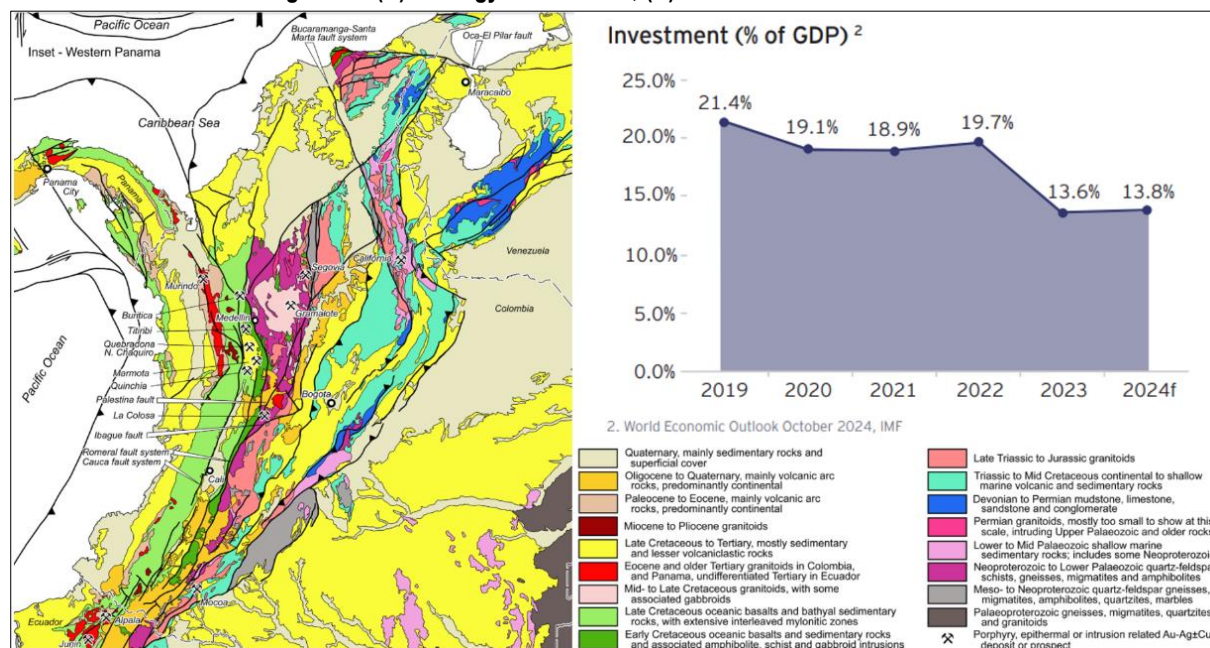
**Permitting:** Like in other countries in western South America, mine permitting is centralized under federal jurisdiction in Ecuador, under the Ministry of Energy and Mines. The Amazonian region (e.g., Zamora Chinchipe), has significant potential but is more challenging due to Indigenous opposition, although Fruta del Norte was developed in this region. Southern highlands (e.g., Azuay, El Oro), with mining heritage and fewer Indigenous conflicts, see faster approvals, as with Curipamba.

**Our view on Ecuador:** Promising geology for copper-gold porphyries and epithermal gold deposits and unlike other jurisdictions, the promising projects are not dominated by majors. Permitting (including water permits for explorers) and local opposition are factors. Given the quality of the geology, we're quite constructive on Ecuador, particularly in the southern highlands.

## Colombia: Prospective but politically challenging currently, 2026 election could see improvement

Colombia's geology features three Andean cordilleras (Western, Central, and Eastern) formed during Mesozoic-Cenozoic subduction and accretion, with mineral deposits concentrated along these mountain chains. The Central Cordillera hosts porphyry Cu-Au systems within the Middle Cauca Belt (containing Quebradona, Gramalote, and Quinchía projects), while the Western Cordillera contains VMS deposits. The Eastern Cordillera features sediment-hosted mineralization and coal resources. Notable mines include Mineros's Nechi alluvial gold mine (lower Cauca), Zijin's Buriticá, while AngloGold's Quebradona and B2Gold's Gramalote are notable development assets.

Figure 11. (A) Geology of Colombia; (B) Investment as a % of GDP



Source: Porter Geology for geology map, EY Doing Business in Latam 2024 Guide for Investment % GDP (sourced from IMF)

**Overview:** ranks sixth globally for coal (~5% of world supply), fifth for gold (~5%), and holds notable copper reserves. Mining faces headwinds under leftist President Gustavo Petro (2022–present, Pacto Histórico), whose environmental agenda—phasing out coal and banning mercury—has slowed legal permits. With elections in May 2026, a shift could unlock potential. Investment is estimated at US\$3.2bn for 2024–2028, per the National Mining Agency (ANM), driven by gold and copper.

**Permitting:** Mine permitting in Colombia is centralized under the federal ministry ANM. Our understanding is that permitting has tightened under Petro, including exploration permits. Zijin Mining's Buriticá mine, acquired in 2020 via Continental Gold (69.28% stake), produced 241,000 oz gold in 2023, targeting 300,000 oz in 2024 despite conflicts with illegal miners. Illegal mining, at 69% of gold output (UNODC, 2020), spans 64,000 hectares, with cartels like Clan del Golfo and ELN earning US\$2.5bn yearly (El Espectador, July 16, 2024), particularly in the Pacific (Chocó) and Amazon (Caquetá) regions. Our understanding is this can be a significant challenge for some large-scale mines such as Buriticá in Antioquia. Gold miners pay royalties of 4% of sales (ANM, 2023), of which 20% is redistributed locally.

**Our view:** Colombia has great potential, but permits have been challenging for explorers and developers. Our understanding is the current government have been especially hard on mining but have also declined to crack down on illegal mining which has caused further issues. For now, Colombia is not one of our favored jurisdictions and we're hoping to see improvement following next year's election, although it has highly prospective geology.

## Apollo Silver (APGO CN)

### Initiation: CY24 MAG option unlocks CRD growth story in 2025

RECOMMENDATION: **BUY**

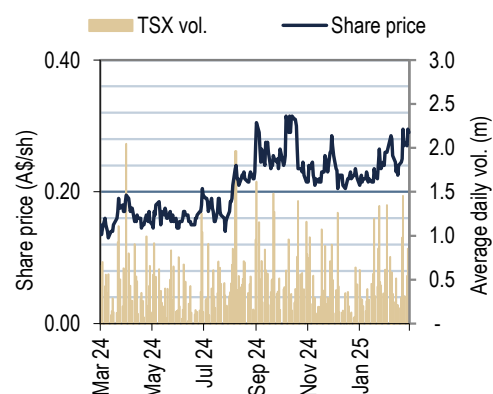
PRICE TARGET: **C\$0.90/sh**

RISK RATING: **SPECULATIVE**

#### SHARE DATA

Shares (basic, FD)	242 / 293
52-week high/low (C\$/sh)	0.13 / 0.32
Market cap (C\$m)	70
Net cash (debt) (US\$m)	9.6
FD EV (US\$m)	27
Average daily value (US\$000, 3M)	0.05
1.0xNAV @ C\$30/oz (US\$m)	252
1.0xNAV FD (C\$/sh)	0.90

Andrew Bowering	Chair, Interim President & CEO
Chris Cairns	CFO
Amandip Singh	VP Corporate Development
Rona Sellers	VP Commercial and Compliance
Isabelle Lépine	Director of Mineral Resources
Alex Tsakumis	Independent Director
Jocelyn Thompson	Independent Director
Steven Thomas	Independent Director
Jackie Przybylowski	Independent Director



Source: SCPe; Factset for trading metrics

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#### Company builder team with experience in Mexico to get permits

TSX-V listed Apollo Silver is a silver exploration company with assets in the United States and Mexico. Its Calico Project in California's Mojave Desert features silver-barite veins and historical resources of 33.7Mt at 93g/t Ag (101Moz) and 13.4% barite (4.5Mt) —a U.S. critical mineral. The step change came last year, when Apollo secured an option for the Cinco de Mayo Project in Mexico from MAG Silver, spanning 29 concessions across 25,000ha and hosting high-potential CRD deposits, including Upper Manto (161Moz at 381g/t AgEq). The plan is to restore its social license, led by the team that transformed Prime Mining's Los Reyes in Mexico, driving Prime's market cap up 166% within months of gaining access, and now valued at ~C\$220m mc (PRYM-TSX).

#### Cinco de Mayo social license and drilling a major catalyst

Cinco De Mayo's October 2012 inferred MRE of 153Moz AgEq excludes the high-grade Pegaso zone, where MAG Silver's July 2012 hole hit 61.6m at 398g/t AgEq (48-22-15-12-3 / Zn-Ag-Au-Pb-Cu) including 10m at 620g/t. Pegaso's deep, base-metal-rich profile suggests a CRD feeder, untapped since discovery due to access and permitting hurdles. MAG's 2005-2013 option tenure unearthed multiple discoveries, a time when its market cap lifted to ~C\$765m before a 2012/13 social license setback and market downturn slashed it by half. Apollo Silver, led by proven operator Andrew Bowering, now targets re-access post a favorable December 2024 Ejido election. The company is guiding a decision this year and a 20,000m drill program to kick off shortly thereafter.

#### Mexico primed for momentum this year; silver premiums are strong

First Majestic's \$970m Gatos buy and Coeur's \$1.7b SilverCrest deal—both at premiums—snapped up two key junior producers, opening lanes for new growth plays. President Sheinbaum's shift from AMLO's 2018 permit freeze—her December 2024 ban review and the Mines Minister's March 2025 'permits soon' hint—could unlock a stalled exploration pipeline and early investors in quality juniors should catch the strongest torque.

#### Initiate with BUY rating and C\$0.90/sh price target

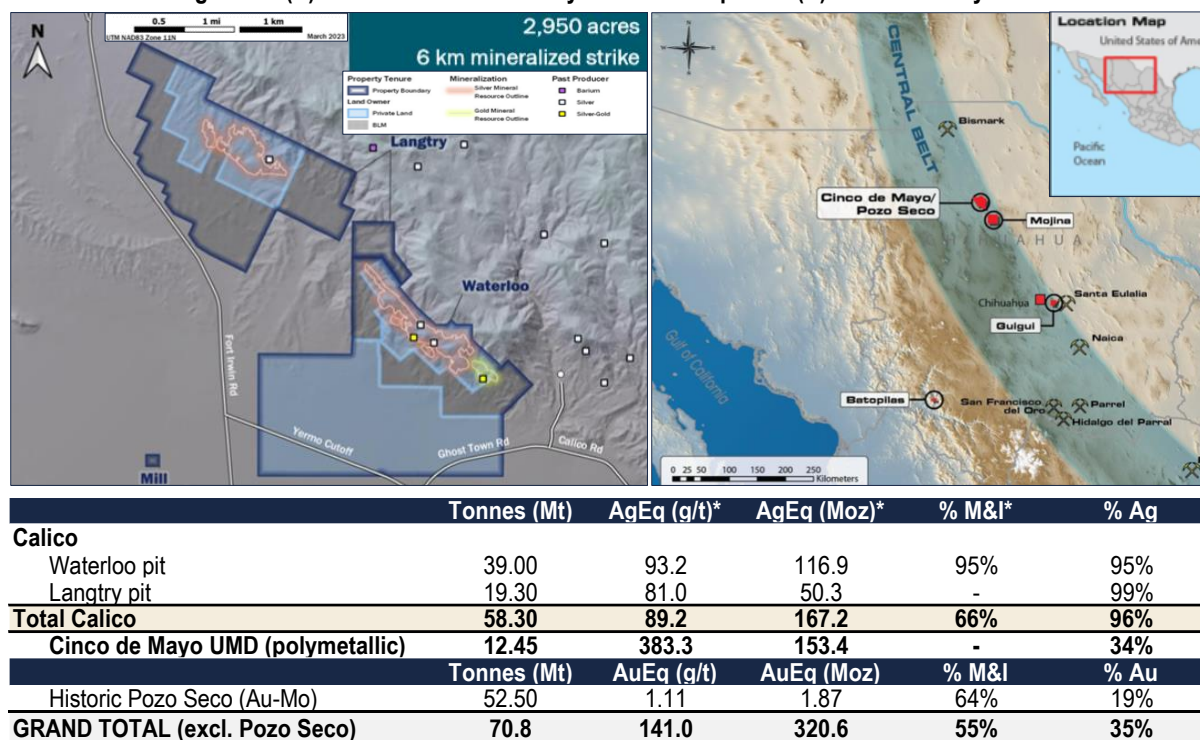
While Calico offers strategic flexibility, our thesis hinges on Cinco de Mayo's exploration upside. Apollo Silver trades at ~US\$0.08/oz EV in-situ for Calico and Upper Manto, a discount to silver peers at US\$0.50-1.25/oz. We assign a conservative US\$0.50/oz AgEq to Cinco de Mayo's 153Moz resource (excl. Pozo Seco), plus US\$0.50/oz for a 75Moz upside, and US\$0.25/oz for Calico. We initiate with a BUY rating and C\$0.90/sh PT, catalyzed by imminent permitting at Cinco de Mayo and aggressive drilling. Apollo aligns with our focus on well-funded, high-grade assets in proven belts—here, Mexican silver. Peer valuations underscore the re-rating potential on successful drilling.



## Asset summary

Apollo controls 167Moz @ 89.2g/t AgEq (66% M&I) at the Calico Project in California and has an earn-in option on the Cinco de Mayo Project (250km<sup>2</sup>) located 199km north of Chihuahua, Mexico, which includes an inferred **153Moz @ 381.3g/t AgEq** MRE at the Upper Manto deposit and 359koz @ 0.21g/t Au + 147Mlbs @ 0.13% Mo at Pozo Seco. Calico benefits from a low 1:1 strip, strong access and infrastructure, located just 15km from Barstow, with proximity to power and a private gravel road network. The 2025 work program focuses adding barite to the Waterloo MRE and gold exploration at Burcham, with drilling planned. Cinco de Mayo adds a) discovery excitement and b) low risk resource growth to Apollo's story via an option with MAG Silver. Resolving access and permitting issues could unlock substantial value, making Cinco de Mayo a step change growth asset for Apollo in our view.

Figure 12. (A) Calico and Cinco de Mayo location maps and (B) MRE summary table



Source: Apollo Silver; \*AgEq calcs at SCPe LT prices: US\$30/oz Ag, US\$2,300/oz Au, US\$2,500/t Zn, US\$2,200/t Pb, US\$51,809/t Mo.

## Corporate History

Apollo Silver de-risked its Calico asset under the prior CEO until his retirement in July 2024, with Chair Andrew Bowering stepping in as Interim CEO and President. Bowering, a company builder, founded Millennial Lithium (acquired for C\$456M), American Lithium, and advises Prime Mining in Mexico. A key step change was acquiring the Cinco de Mayo option, where Apollo must secure licenses to access and conduct mining activities Project and drill 20,000m in 5 years to earn MAG's 100% stake, triggering a 19.9% share issuance. In November 2024, Apollo closed a C\$13.5m fully subscribed PP to fund both projects in 2025, backed by Eric Sprott and other major institutions (~25.8%). Insiders and strategic shareholders own 15.5%, the company has 35.3m warrants outstanding (79c/sh avg strike), and Apollo is contemplating a 5:1 share consolidation (pending). Apollo added Alex Tskaumis (Interim CEO of American Lithium), Jackie Przybylowski (Ex-BMO Equity Research) to the board, and Amandip Singh (VP Corporate Development) to its leadership team.

Figure 13. Price chart and corporate history\*



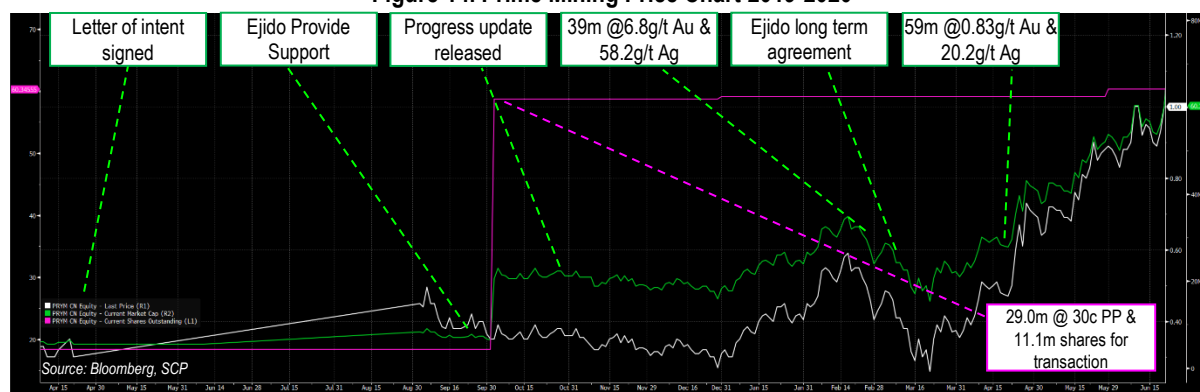
### Prime Mining, A Case Study in Andrew Bowering's speed to exploration drives share price performance

Andrew Bowering was the CEO of Prime Mining (formerly ePower Metals) and led the acquisition of the Los Reyes Gold Project from Minera Alamos Inc. via a letter of intent signed on April 24, 2019. The definitive agreement followed on June 26, 2019, with Bowering overseeing the transition from ePower to Prime Mining. The project, Los Reyes, located 43km SE of Cosala, Sinaloa, had a long mining history, and an existing MRE of 10Mt @ 1.7g/t Au & 31.0g/t Ag, totaling 535koz Au and ~10Moz Ag at that time.

In just a few months, Bowering and his team accelerated progress. In September 2019, the team visited Cosala, met with municipal and Ejido leaders, and secured unanimous support for the project. Within 30 days, Prime delivered a proposal to the Ejido for fees related to exploration and engineering. By March 2020, a 15+15-year land access agreement was signed with the Ejido, facilitating exploration and development. Prime's market cap soared +166%, driven by rapid community engagement, securing land access, and positive exploration results (including 34.5m @ 4.2g/t Au road cut sample and 39m @ 6.75g/t Au with 58.2g/t Ag trench sample).

Bowering transitioned to Executive VP in June 2020 and later to Director in August 2022. During his time Prime's market cap grew from C\$8m at the start of 2019 to over C\$200m before transitioning to Director in August 2022, reflecting a 25x increase in 3.5 years, showcasing the team's knack for executing quickly and efficiently. The company is currently valued at ~C\$220m. While the social dynamics may differ for Cinco de Mayo, Bowering's success at Prime Mining demonstrates his ability to drive rapid growth and effectively manage projects, showcasing his skill in executing strategies and delivering value.

Figure 14. Prime Mining Price Chart 2019-2020



Source: Bloomberg, SCPe, Apollo Silver

### SCP investment case: Calico strategic value backstop, exploration 'flyer' at Cinco De Mayo

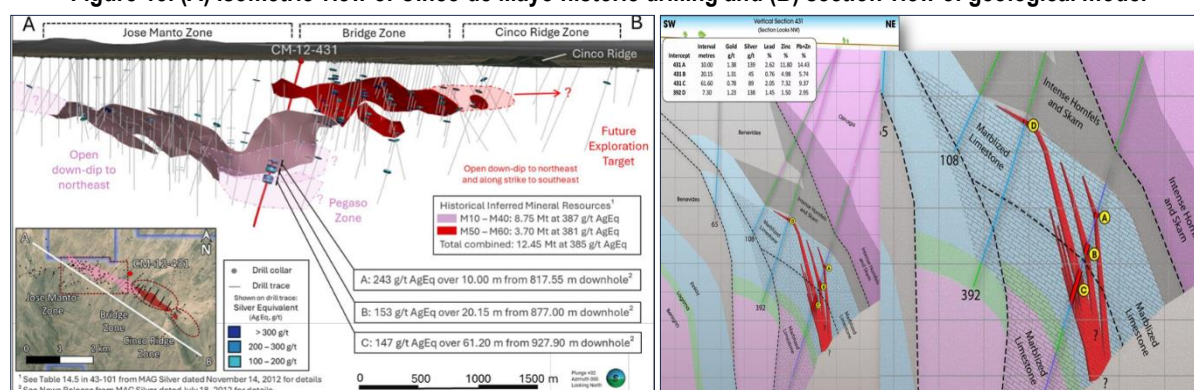
Calico offers strategic funding optionality with the potential addition of a barite resource, a U.S. critical mineral that could attract government support and increase the project's value, as over 75% of U.S. barite is imported. However, our conviction lies in the exploration opportunity at Cinco de Mayo once permits are restored.

The October 2012 inferred MRE at Cinco De Mayo (153Moz AgEq at SCPe LT prices) remains open in several directions and didn't include the Pegaso zone—where a massive sulphide intercept returned **61.6m @ 398g/t AgEq** (48-22-15-12-3 / Zn-Ag-Au-Pb-Cu) including **10m @ 620g/t AgEq** (at SCPe LT prices) in a July 2012 discovery hole by MAG, which hasn't been tested since. Pegaso stands out due to its deep, high grade, base metal rich nature, suggesting it could be part of a larger CRD 'feeder'. MAG believed linking the Jose Manto-Bridge Zone to Pegaso would reveal a much larger resource, but exploration was halted due to access and licensing issues—preserving this opportunity for Apollo.

Under MAG Silver's option (2005-2013), MAG made multiple discoveries including Pozo Seco (2009) and Bridge Zone (2011), with its market cap peaking at ~C\$765m before losing its social license in 2012/13—and halving in value. Apollo Silver now has the chance to restore access, with a new Ejido Benito Juarez executive elected in December 2024, signaling a shift toward favorable permitting discussions after a decade of stalled progress—and we believe Andy Bowering has the expertise and network to de-risk this project having done this before at Prime Mining.



Figure 15. (A) Isometric view of Cinco de Mayo historic drilling and (B) section view of geological model



Source: Apollo Silver

**Recommendation: Initiate coverage with BUY rating and C\$0.90/sh Price Target**

Apollo trades at ~US\$0.08/oz EV in situ for Calico and Upper Manto exclusively against silver peers valued anywhere from ~US\$0.50-1.25/oz (See Table 3), we apply a conservative US\$0.50/oz AgEq to the resources at Cinco de Mayo (Excl. Pozo Seco), adding the same value for a nominal 50Moz upside, plus a nominal US\$0.25/oz for Calico. We initiate with a BUY rating and C\$0.90/sh PT, driven by the catalysts of securing permits and extensive drilling. The key to maximizing value in the exploration sector is focusing on well-funded, geologically strong companies operating in prolific terrains. For us, that means Andean Cu-Au-Ag, Archean Au, or Mexican silver. Apollo Silver fits perfectly within this strategy. While investors have to speculate on the ultimate size potential, they don't need to wonder if mineralization extends beyond the current resource—drilling has already proven it does.

Table 3. SCP SOTP valuation for Apollo Silver

Ticker: APGO CN		Price/mkt cap: C\$0.29/sh, C\$70m		Group P/NAV today: 0.32x		Asset: Calico / Cinco De Mayo					
Author: B Gaspar		Rec / 1xNAV PT: BUY, C\$0.9/sh				Country: California / Mexico					
Share data		Basic	FD	SCP commodity price							
Shares (m)		242.2	293.2	Ag (US\$/oz)	CY24A	CY25E	CY26E	CY27E	CY28E		
SOTP project valuation*		C\$m	O/ship	NAVx	C\$/sh						
SCPe nominal in situ value @ US\$0.25-0.50/oz AgEq		169	100%	1.0x	0.58	Au (US\$/oz)	2387	2548	2368	2300	2300
SCPe nominal +50Moz AgEq exploration upside		36	-	1.0x	0.12	Zn (US\$/t)	2810	2884	2605	2500	2500
4Q24 Cash		13.7	-	1.0x	0.05	Pb (US\$/t)	2103	2089	2170	2200	2200
Cash from options+warrants		33.0	-	1.0x	0.11	43-101 MRE	Tonnes	*AgEq	AgEq	M&I (%)	Ag (%)
SCPe Group 1xNAV		252		PT: 0.90		Calico	58.3Mt	89g/t	167Moz	66%	96%
*Ex G&A and fin. costs				Market P/NAV: 0.32x		Cinco de Mayo (2012 MRE)	12.5Mt	383g/t	153Moz	0%	0%
						Total M&I&I	70.8Mt	141g/t	321Moz	55%	0%
						Historic Pozo Seco (Au-Mo)	52.5Mt	1.11g/t AuEq	1.9Moz AuEq	64%	0%

**Catalysts**

- 1H25: Calico maiden Barite resource
- 2H25: Cinco de Mayo social license / gold and silver exploration

**Risks**

- Geology / resource model:** medium risk. While Calico is 66% in M&I, Cinco De Mayo is based on a historic resource completed by MAG in 2012 and is entirely inferred. We expect more drilling to increase confidence overtime.
- Social / permitting:** High (for now). Opposition from the Ejido assembly may delay exploration, hinder permits, and jeopardize property rights. We think management's experience with the Ejido (and network) is good downside protection.
- Financing** is always a risk for junior exploration as drilling is capital market dependent. The company is well funded for its current plan with ~C\$14m pro-forma after the 4Q24 financing led by Eric Sprott.

## Cerro De Pasco (CDPR CN)

### Initiation: High grade Ag-Zn-Pb-Cu tailings opportunity on infrastructure

RECOMMENDATION: **BUY**

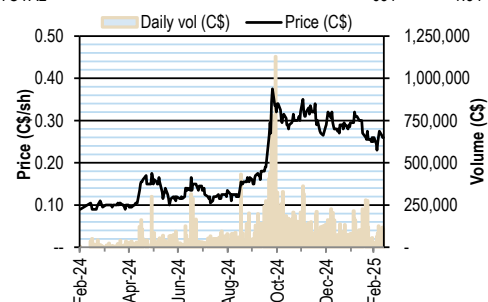
PRICE TARGET: **C\$0.65/sh**

RISK RATING: **SPECULATIVE**

SHARE DATA	C\$0.26/sh
Shares (basic, FD)	491 / 653
52-week high/low (C\$/sh)	0.38 / 0.09
Market cap (C\$m)	128
Net cash (debt) (US\$m)	29
1.0xNAV8% @ US\$2300/oz (US\$m)	631
1.0xNAV5% FD (C\$/sh)	C\$1.34
1.0xNAV5% FD + FF (C\$/sh)	C\$0.43
P/NAV (x)	0.19x
Average daily value (C\$/sh, 3M)	107.2

FINANCIALS	CY27E	CY28E	CY29E
Silver produced (000oz AgEq)	-	2,485	11,984
Revenue (US\$m)	-	86	412
AISC (US\$/oz AgEq)	-	6.1	6.9
Net Income (US\$m)	7.1	(6.4)	99.3
EPS (C\$/sh)	0.00	0.00	0.02
PER (x)	453.6x	95.6x	15.6x
CFPS (C\$/sh)	0.00	0.00	0.08
P/CF (x)	72.9x	93.0x	3.4x
EBITDA (C\$m)	4.4	30.1	170.1
EV/EBITDA (x)	38.1x	12.1x	2.3x

SPOT VALUATION	2024EE	2025E	2026E
1xNAV5% FD + FF (C\$/sh)	1.44	1.32	1.22
ROI to 1xNAV (% pa)	453%	125%	67%
<b>SOTP 1xNAV8% US\$2300/oz</b>	<b>US\$m</b>	<b>C\$/sh</b>	
Quiulacocha NPV 1Q25	590	1.25	
Excelsior Tailings nominal (US\$1.5/oz AgEq)	104	0.22	
Central SG&A & fin costs 1Q25	(92)	(0.20)	
Resources outside SCPe mine plans (\$100/oz)	-	-	
Pro-forma net cash incl ITM options	29	0.06	
TOTAL	631	1.34	



Source: SCPe; Factset for trading metrics

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#### Legacy tailings and stockpiles: ~150Mt mineralized material

Cerro de Pasco Resources is a TSX-V listed developer advancing the Quiulacocha tailings and Excelsior stockpile project in Cerro de Pasco, Peru. Cerro de Pasco has been host to one of Peru's largest and highest grade base metal mines since the 1600s, more recently operated by Volcan (Lima-listed, part owned by Glencore). Cerro de Pasco has the rights to a high grade tailings stack, which it estimates hosts ~75Mt at US\$164/t contained in-situ value at 130g/t AgEq drilled to date.

#### Tailings can be a great business – see Amerigo, GoGold, Elikhulu

There are several highly successful tailings precedents: DRD Gold (US\$1.14bn mcap – pure play 160kozpa gold tailings in South Africa), Pan African (US\$921m mcap, ~285kozpa in South Africa, 50% from tailings) and Amerigo Resources (US\$214m mcap – ~28ktpa Cu in Chile) are the largest while Parral has been a good cash generator for GoGold. Like the other operations, Cerro de Pasco's tailings are sourced from a long-life high-grade historic mine.

#### Big and high grade: we estimate preliminary US\$600-850m NPV

Based on historic processing records, Cerro de Pasco estimates ~70-75Mt of historic tailings and ~70-75Mt of stockpiled ore. Contemplating a 10-20ktpd (3.5-7.0Mtpa) tailings reprocessing operation, we estimate average annual production of 13Moz AgEq including 5Moz Ag. At low SCPe unit operating costs of US\$15/t ore, we estimate US\$8.74/oz AgEq AISC, generating US\$159m FCF/year at SCPe LT prices (US\$30/oz Ag and US\$2300/oz Au), with EBITDA margins of SCPe 66%. The key derisking steps are drilling out the tailings stacks to confirm size/grade, metallurgical testwork and a pilot plant to determine key operating parameters.

#### Site visit: Good logistics, local community has aligned incentives

What we like here is the potential to turn an environmental liability into a profitable cleanup story. We visited site in January 2024: the area has good infrastructure including a town of 60k population and grid power. We think there are multiple development options here including potentially buying/refurbishing Volcan's nearby 20ktpd Paragsha Plant or building a new facility.

#### Initiate with BUY rating and C\$0.65/sh price target

We model a 11-year, 7Mtpa producing 14Mozpa AgEq at US\$8.74/oz AgEq AISC, generating SCPe US\$590m NPV<sub>8%-30%/oz</sub>. We subtract US\$92m for SG&A and add net cash to generate a fully funded fully diluted NAV of US\$834m (US\$631m fully diluted) or C\$0.79/sh (C\$1.34/sh fully diluted). We adopt a 0.50x NAV fully funded multiple for CDPR and initiate with a BUY rating and C\$0.65/sh price target.

## High grade tailings located in 60k population mining town on infrastructure in Peru

The Cerro de Pasco mine complex, located 252km from Lima (~5.5hr drive) in Central Peru represents one of Peru's largest polymetallic mining centres, with a history dating back to discovery in the 1630s. The Excelsior stockpile contains approximately 70Mt of mineralized rock from historical mining operations, while the Quiulacocha tailings facility holds an estimated 74Mt of processed material from operations between 1906-1992. The mine historically produced at grades of ~4% Cu and 200g/t Ag (1906-1965) and ~12% Zn+Pb and 98g/t Ag (1952-1992) ranking it among Peru's richest polymetallic deposits. Cerro de Pasco is advancing reprocessing of these materials, targeting significant recoverable silver, zinc, and lead, alongside copper and gold credits. The project benefits from existing infrastructure (power, roads, water), the surrounding town (~60k population), and location (~4.5h drive from Lima), while modern processing techniques offer the opportunity to remediate historical environmental impacts.

Figure 16. (A) Project location, (B) Satellite view of Quiulacocha, Excelsior and surrounding areas

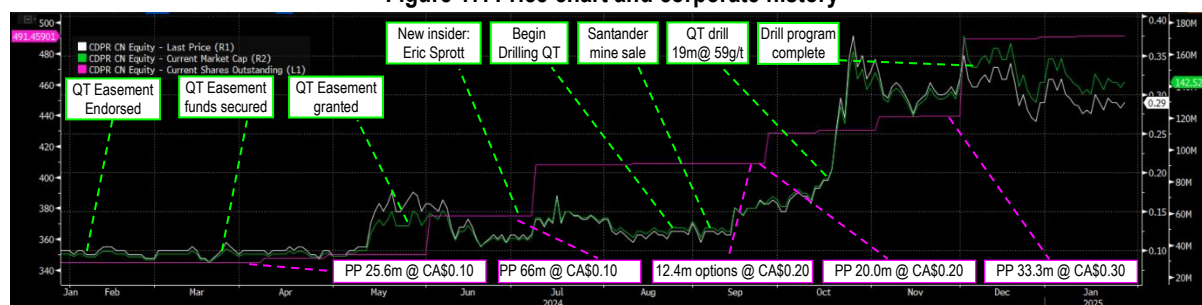


Source: Cerro de Pasco Resources

## Overview / History: Built 50kozpa Nampala, had 2023 bridge loan overhang, now cashed up with new mgmt

Cerro de Pasco has been advancing El Metalurgista (the Excelsior and Quiulacocha stockpiles) for a decade, first as a private company and then on the Canadian Securities Exchange (CNSX) after an RTO in 2018. In 2019 CDPR acquired the tailings processing rights (previously it had an option) after completing an ESIA and signing definitive agreements with the Quiulacocha community to obtain surface rights. 2020-2024 saw CDPR advance El Metalurgista but also become a producer: CDPR acquired the Santander Mine from Trevali for US\$30m but due to low zinc prices curtailed operations in 2023 and sold the mine in September 2024. During this period, CDPR signed an MoU on collaboration with Volcan (operated the Cerro de Pasco mine since 1999) and Glencore, obtained government fast track status (MEF specialized projects list in 2023), and received the critical land easement in May 2024, enabling the first 40-hole drilling program in 2024 (results pending). Key steps in 2025 include bringing the remaining tailings into their mineral rights, completing an additional 80-hole drilling program, and metallurgical testing (size fractions, recovery relative to grind size, mineralogical characterisation). We think these factors will be key in designing the operation including determining whether to build a new processing plant or to seek to acquire Volcan's existing Paragsha flotation plant located in Cerro de Pasco.

Figure 17. Price chart and corporate history



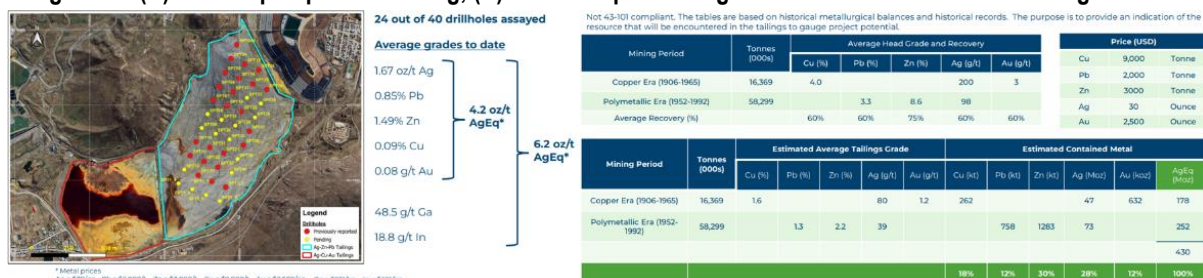
Source: Bloomberg, SCP, Cerro de Pasco Resources



### Drilling to prove up 43-101 compliant MRE: big and high-grade tailings opportunity

Based on historical processing data, CDPR has provided a conceptual (non 43-101 compliant) tailings estimate of ~75Mt at 50g/t Ag, 0.26g/t Au, 1.7% Zn, 1.0% Pb and 0.35% Cu. The Cerro de Pasco mine was Cu-Ag rich in early years and polymetallic Zn-Pb-Ag in later years so the tailings are zoned, with more Cu rich material in the south and towards the bottom, and Zn-Pb rich material in the northern area. In gross terms, at spot the contained in-situ value is ~US\$12bn or ~US\$164/t (~170g/t AgEq or 2.2g/t AuEq), equivalent to good open pit table grades but for crushed material at surface. So far the drilling has averaged 15-20m at ~131g/t AgEq and management expects thicker and higher grade intercepts to the south. The Excelsior stockpile is estimated to contain similar tonnage (~70Mt); an initial MRE of 23Mt at 42g/t Ag, 1.4% Zn and 0.6% Pb (~US\$90/t or ~US\$93g/t AgEq) was released in 2021; the remaining tonnes are currently outside the mineral concession but can be added later (currently they are a liability on the Ministry of Mines's books).

**Figure 18. (A) Plan map of phase I drilling; (B) historical processing data and CDPR's estimated tailings content**

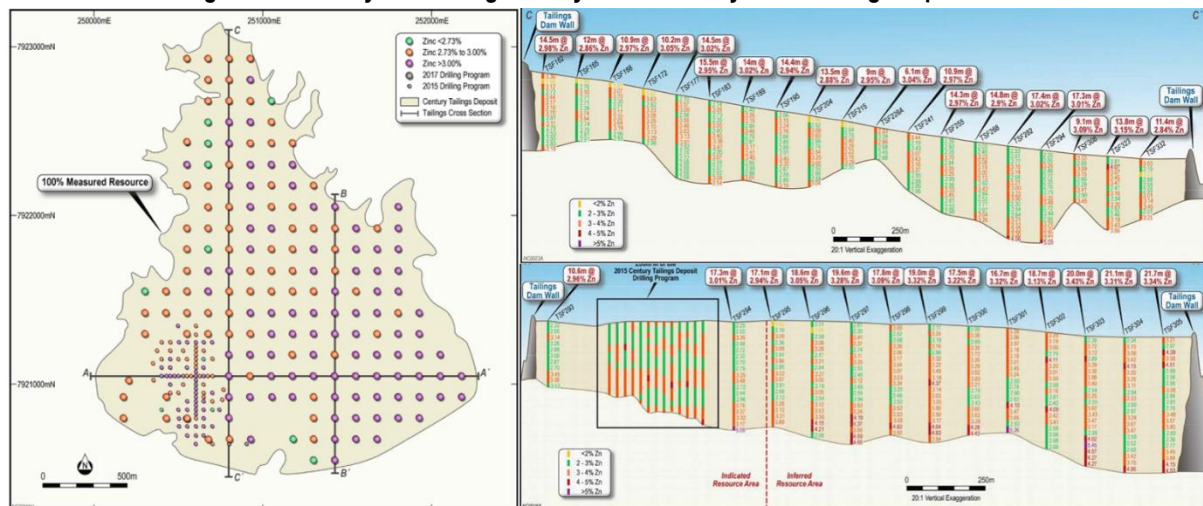


Source: Cerro de Pasco Resources

### Proof of concept: New Century Zinc's Century restart acquired in 2023 by Sibanye for US\$83m

New Century Zinc successfully restarted production at the Century Zinc Mine (idled in 2015, acquired in 2017, restarted production in late 2018) in Queensland, Australia and were acquired by Sibanye in 2023. The tailings operation used hydromining and processed ~2.9-3.0% Zn and 13-14g/t Ag material, drilled to 125m grid spacing, regrinding coarse material (>45µm) to P80 5.2µm followed by rougher-cleaner-scavenger flotation. The successes of the operation included, turning an A\$373m rehab liability into a cash flow generating operation (US\$1.03-1.10/lb C1 costs or ~US\$23-28/t ore including port and treatment charges, ~US\$15/t mining/processing/G&A costs in FY2022) and successfully getting acquired despite a tough Zinc market in 2021-2023. The operation's challenges included not reaching initially planned 60% Zn and 50% Ag recovery (actuals ranged 47-49% Zn and 29-33% Ag), despite completing a 10kt bulk sample in FY17. Based on NCZ's operating results, we think our US\$2/t mined, US\$10/t processed, and US\$3/t G&A costs are roughly in line (note cheap power and good logistics in Peru). NCZ also highlights the importance of good met testing, as the Century Zinc operation made improvements but did not reach the recovery levels initially estimated in pre-production estimates.

**Figure 19. Century Zinc tailings facility - 1.1x2.2km by ~20m average depth = 75Mt**



Source: Cerro de Pasco Resources

### Conceptual Economics: We assume a 7Mtpa base case, generates US\$590m NPV8% assuming 30% recovery and a new plant build for US\$400m

While this year's drilling and met testing should have a major impact on modelled tonnes, grade and recovery, we model a conceptual scenario based on rough assumptions: We model a 75Mt base case mine inventory at a nominal 20ktpd throughput rate, matching both Century Zinc's throughput and Volcan's Paragsha plant in Cerro de Pasco. We assume unit costs of US\$2/t mined, US\$10/t processed and US\$3/t G&A – based on New Century Zinc's FY22 actuals, plus US\$0.50/t sustaining capital and US\$1.00/t progressive rehabilitation costs. Recoveries are harder to estimate given the lack of test work but reverse engineering a 20% recovery in our model suggests that a 29.3% recovery is the breakeven number needed to achieve a 20% IRR. We model a 40% base case recovery for now, noting that Century achieved 50% while South African gold tailings operations and Amerigo's tailings reprocessing achieve ~25% but using no regrind.

**Base case:** We model a conceptual 20ktpd operation: Assuming ~75Mt of tailings, this would result in a 11-year operation. We assume a nominal ~40% AgEq recovery and payabilities of 70% for base metals (Zn-Pb-Cu) and 98% Au and 95% silver payability. This generates average annual production of 14.1Moz AgEq per year of which the metal splits by revenue are 27% Ag, 15% Au, 24% Zn, 12% Pb and 21% Cu. This generates SCPe US\$350m/year of revenue. Assuming US\$15/t direct operating costs, we estimate US\$165m/year of FCF for US\$590m NPV8%. We estimate US\$400M capex as a starting estimate for a standalone processing plant. The key data we're awaiting are detailed metallurgical tests to determine i) mineralogy and size fraction to baseline flotation recovery levels; ii) to what extent further grinding would improve recoveries and iii) based on the above, whether a modern standalone processing would justify the capex involved.

**Table 4. Operating assumptions and economic outputs**

	LOM	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Gold price (US\$/oz)	--	2,387	2,548	2,368	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300
Tonnes mined (kt)	74,598	--	--	--	--	1,224	5,901	6,935	6,935	6,954	6,954	6,935	6,935	6,935	6,954	6,935	5,001	--
Ore milled (kt)	74,598	--	--	--	--	1,224	5,901	6,935	6,935	6,954	6,954	6,935	6,935	6,935	6,954	6,935	5,001	--
Grade milled - gold (g/t)	0.26	--	--	--	--	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.26	--
Grade milled - silver (g/t)	--	--	--	--	--	37.48	37.48	37.48	37.48	37.48	37.48	37.48	37.48	37.48	37.48	37.48	37.48	--
Grade milled - zinc (%)	--	--	--	--	--	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	--
Grade milled lead (%)	--	--	--	--	--	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	--
Grade milled copper (%)	--	--	--	--	--	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	--
Recovery - AgEq (%)	40%	--	--	--	--	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	--
Ounces produced (Moz AgEq)	151.5	--	--	--	--	2.5	12.0	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1	10.2	--
Unit costs (US\$/t ore)	15.0	--	--	--	--	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	--
Cash costs (US\$/oz AgEq)	7.4	--	--	--	--	7.4	7.4	7.4	7.4	7.4	7.4	7.4	7.4	7.4	7.4	7.4	7.4	--
AISC (US\$/oz AgEq)	8.7	--	--	--	--	8.5	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7	--
Revenue (US\$m)	3,754	--	--	--	--	62	297	349	349	350	350	349	349	349	350	349	252	--
Cash costs (US\$m)	-1,119	--	--	--	--	-18	-89	-104	-104	-104	-104	-104	-104	-104	-104	-104	-75	--
Royalties (US\$m)	-169	--	--	--	--	-3	-13	-16	-16	-16	-16	-16	-16	-16	-16	-16	-11	--
Taxes (US\$m)	-581	--	--	--	--	-10	-46	-54	-54	-54	-54	-54	-54	-54	-54	-54	-39	--
Minorities (US\$m)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Initial capital (US\$m)	-400	--	--	--	-180	-220	--	--	--	--	--	--	--	--	--	--	--	--
Sustaining/Exploration capital (US\$m)	-110	--	-8	-8	-2	--	-9	-10	-10	-10	-10	-10	-10	-10	-10	-10	-8	--
EBITDA (US\$m)	2,466	--	--	--	--	40	195	229	229	230	230	229	229	229	230	229	165	--
FCF (US\$m)	1,357	--	-8	-8	-182	-189	140	165	165	165	165	165	165	165	165	165	119	--

Source: SCP estimates

### Plant location, buy vs build, permitting timeline:

Volcan operate two processing plants totalling 18ktpd of capacity currently – since mining ended in 2023 they are processing low grade stockpiles. Purchasing and potentially refurbishing the existing plants is an option. In our view the pros are: i) save time on permitting a new location, ii) potentially save some capex by reusing equipment or facilities, iii) if testwork shows good recovery through the existing circuit then capex savings could be significant. The cons are i) the facility is located on the edge of the pit and may require significant works, ii) the facilities are quite old and may need extensive repairs and/or refurbishment and iii) if significant changes are required it may be cheaper and easier to build a new plant. We initially assume a new plant is built for US\$400m. On our site visit, we were shown a potential site to the south of the tailings facility which is flat with power lines running through that could be suitable. We believe the Government wants the tailings and stockpiles site to be reclaimed therefore should be amenable to permitting a new facility with modern tailings storage practices – we think this would be a significant improvement on the status quo.

**Indium and gallium – upside but not valued in our base case:** The tailings contain valuable indium and gallium, both rare metals that are subject to Chinese export controls. While these may be economically significant (~2oz/t AgEq in situ based on the phase I drilling), further test work is needed to determine a recovery / concentration flowsheet for each metal, and then downstream studies to determine which smelters can recover indium and gallium, which concentrates the gallium (likely zinc) and indium (likely lead conc) would report to, and likely payabilities. For now, we leave indium and gallium byproduct revenue as upside to our base case and don't model byproduct revenue or NAV value in our base case for indium and gallium.



**Recommendation: initiate coverage with BUY rating and C\$0.65/sh PT**

We model our 7Mtpa base case assuming US\$400m for a new standalone processing plant: this generates a US\$590m NPV8% at our base case prices estimates (US\$30/oz Ag, US\$2,300/oz Au, US\$8,929/t Cu, US\$2,500/t Zn and US\$2,200/t Pb). We add US\$1.5/oz AgEq nominal value for Excelsior (69Moz AgEq at 93g/t AgEq). We deduct central G&A, finance costs and add net cash to derive our NAV of US\$631m or C\$1.34/sh. We assume an additional C\$11m of equity before mine build and US\$192m (C\$274m) of equity for mine build with US\$288m of debt. This generates a fully funded NAV of US\$834m or C\$0.79/sh per fully diluted and fully funded.

We adopt a 0.5xNAV fully diluted (excludes mine build in NAV/share count) NAV multiple for CDPR resulting in a C\$0.65/sh PT. This is in line with our estimates for early-stage companies with modelled mine plans and equates to US\$1.74/oz AgEq on Cerro de Pasco's conceptual resource at Quiulacocha and inferred resource on Excelsior.

**Table 5. (A) SOTP valuation and (B) sensitivities for Pasco Resources**

Group-level SOTP valuation	1Q25		FD		1xNAV sensitivity to silver price and discount / NAV multiple					
	US\$m	O/ship	NAVx	C\$/sh	1xNAV asset (US\$m)	\$25.0oz	\$27.5oz	\$30.0oz	\$32.5oz	\$35.0oz
Quiulacocha NPV 1Q25	590	100%	1.00x	1.26	10%discount	454	467	479	492	504
Excelsior Tailings nominal (US\$1.5/oz AgEq)	104	100%	1.00x	0.22	8%discount	563	576	590	604	618
Central SG&A & fin costs 1Q25	(92)		1.00x	(0.20)	7%discount	626	640	655	669	684
Resources outside SCPe mine plans (\$100/oz)	-	100%	1.00x	-	5%discount	773	789	805	822	838
Cash 3Q24 + ITM options	31	-	1.00x	0.1	<b>Valuation (C\$/sh)</b>					
Debt	(2)		1.00x	(0.00)	0.40xNAV	0.52	0.53	0.54	0.55	0.56
<b>1xNAV8% US\$2300/oz - FD pre build</b>	<b>631</b>		<b>1.00x</b>	<b>1.34</b>	0.50xNAV	0.65	0.66	0.67	0.69	0.70
Assumed build equity issuance	203		1.00x	0.14	0.60xNAV	0.78	0.79	0.80	0.82	0.83
<b>0.5xNAV8% US\$2300/oz - Fully Diluted</b>	<b>834</b>		<b>0.50x</b>	<b>0.67</b>						

Source: SCP estimates

**Catalysts**

- 2025: Phase II drilling, metallurgical tests
- 2026: PEA
- 2027: DFS, FID, 2Q27 SCPe construction start
- 2H28: SCPe Production

**Risks**

- **Geology / resource model:** CDPR has referenced a non-compliant tailings tonnes and grade estimate based on historic processing but it is not NI 43-101 or JORC compliant. Drilling commenced in 2024 (40 holes) with another 80 holes planned in 2025 to drive an initial resource and potentially reserve estimate.
- **Metallurgy:** CDPR plans to undertake key metallurgical test work including mineralogy, size fraction analysis and recovery / flowsheet analysis this year. For now we use conceptual estimates based on other tailings operations and Volcan's Paragsha Mill, which is processing low grade primary ore stockpiles.
- **Permitting:** This includes several steps. CDPR expects to convert the remainder of the tailings and Excelsior stockpile into mineral rights in time for mid-2025 drilling and met test work. Permitting a new processing facility or significant modifications to Volcan's Paragsha Mill (if CDPR acquires it) would also require permits. CDPR estimates that new permits would take 24-36 months.
- **Funding / dilution risk:** We expect initial capex (SCPe US\$400m preliminary estimate) to be significant relative to CDPR's current ~C\$140m market cap.
- **Timing risk:** We model first production in mid-2028 but this is a preliminary estimate with significant potential for variance given that we see potential for a new plant build or purchasing and refurbishing the Paragsha Plant. In the purchase and refurbish scenario, negotiations may impact the timeline.
- **Sovereign risk:** Peruvian politics have been more stable under President Dina Boularte after former President Castillo was arrested and impeached. The next Presidential and Congressional elections are scheduled for 2026.

## Corporate and Financial Summary

**Capital structure:** As of 30 December 2024, Cerro de Pasco Resources had 490.97m shares outstanding, 20.63m options outstanding at a weighted average exercise price of C\$0.23/sh, 173.33m warrants at C\$0.25/sh with weighted average 1.3 years remaining (latest 3.3 years). We use a basic share count of 490.97m and fully diluted share count of 653.16m including ITM options and warrants. Debt totalled to C\$3.1m (US\$9.25m loan obligation repaid over 10 years) relating to the Santander Sale. There is a US\$2.5m contingent consideration liability relating to Santander which Cerro de Pasco is disputing.

**Corporate structure:** Cerro de Pasco Resources is incorporated in Alberta with their head office in Quebec, Canada. The Peruvian mining assets, including the El Metalurgista concession, are owned by Cerro de Pasco Resources Sucursal del Perú which is 100% owned by Cerro de Pasco. The Santander Mine, previously owned by Trevali, was divested in April 2024.

**Funding assumptions:** Cerro de Pasco had US\$10m at the end of December. We assume an additional C\$15m of equity at the end of 2025 to fund the company through FID, and US\$192m (C\$274m) of equity for mine build with US\$288m of debt for total US\$490m build funding (we assume US\$400m capex).

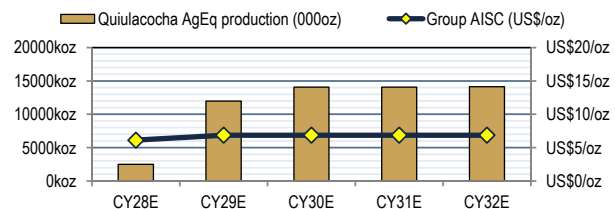
**Board:** The board consists of eight members, including Executive Chairman **Steven Zadka** (Investment banker, Managing Director at Sunrise Securities LLC / Trump Securities LLC), CEO **Guy Goulet** (Geological engineer, co-founder of Aya Gold & Silver, ex-Rio Alto Mining), **John Booth** (Corporate lawyer, ex-CEO of Midpoint Holdings, former investment banker at Merrill Lynch and CIBC), **Manuel Rodriguez**, MD of CDPR's Peruvian subsidiary (Peruvian mining entrepreneur, Chairman of Austria Duvaz), **Pyers Griffith** (Equity capital markets expert, ex-Managing Director of Peru Privatization Fund, former senior roles at Deutsche Bank and HSBC), **John Carr** (Chemical engineer, co-founder of New Century Resources, ex-Chief Development Officer at Century Zinc Tailings Mine), **Frank Hodgson** (UK real estate investor, member of the Governance Committee), and **René Branchaud** (Corporate lawyer, partner at Lavery, de Billy, director of several mining companies). Five of eight board members are independent.

**Table 6. Management and Board members**

Name	Role	Equity Ownership*	Background
<b>Board of Directors</b>			
John Geoffrey Booth	Lead Independent Director	0.41%	25y experience serving as chairman or director on TSX, ASX, LSE, TSXV, and CSE
John Scott Carr	Independent Director	0.15%	Co-founded New Century Resources, Future Element, and Broken Hill Mines
Frank Hodgson	Independent Director	0.09%	30y exp in central london residential property, pioneered the 'Swale Project'
René Branchaud	Corp Secretary and Director	0.06%	Partner at Lavery, de Billy and is a director or secretary of several mining companies
<b>Senior Management</b>			
Steven Allen Zadka	Executive Chairman	4.21%	MD at Sunrise Securities LLC / Trump Securities LLC, IB at Adar Capital Advisors
Guy Goulet	CEO, Director	1.96%	Member of board and CEO of 5 publicly traded companies, co-founded Aya Gold and Silver
Manuel Lizandro Rodríguez Mariátegui Camry	President, Director	1.04%	30y exp in mining, lead BOD of Austria Duvaz, ED of Peruvian Aquaculture Company
Pyers Griffith	Chief Strategy Officer, Director	0.44%	ECM and Corp Finance with Peru/Latam experience at major global banks in London
James Shelton Cardwell	CFO	0.04%	16y exp as CFO and COO, with experience in corp structure, financial rep, M&A, tax
<b>SEDI insiders (&gt;10% holders)</b>			
Eric Sprott		18%	Renowned Canadian Businessman with record of taking winning bets in mining sector

Source: System for Electronic Disclosure by insider (SEDI); sedi.ca. \*Assuming exercise of warrants and options on a fully diluted basis

Ticker: CDPR CN		Price / mkt cap: C\$0.26/sh, C\$128m		Market P/NAV: 0.19x		Assets: Quilacocha	
Authors: J Chan		Rec / 0.5x NAV: BUY / C\$0.65		1xNAVFD: C\$1.39/sh		Country: Peru	
Group-level SOTP valuation		1Q25		FD		Resource / Reserve	
	US\$m	O/ship	NAVx	C\$/sh		Mt	Moz AgEq
Quilacocha NPV 1Q25	590	100%	1.00x	1.25		74.7	478.0
Excelsior Tailings nominal (US\$1.5/oz AgEq)	104	100%	1.00x	0.22			0.20
Central SG&A & fin costs 1Q25	(92)		1.00x	(0.20)			
Resources outside SCPe mine plans (\$100/oz)	-	100%	1.00x	-			
Cash 3Q24 + ITM options	31	-	1.00x	0.1			
Debt	(2)		1.00x	(0.00)			
1xNAV8% US\$2300/oz - FD pre build	631		1.00x	1.34			
Assumed build equity issuance	203		1.00x	0.14			
0.5xNAV8% US\$2300/oz - Fully Diluted	834		0.50x	0.67			
1xNAV sensitivity to silver price and discount / NAV multiple		1Q25		FD		Share data	
1xNAV asset (US\$m)	\$25.0oz	\$27.5oz	\$30.0oz	\$32.5oz	\$35.0oz	Basic shares (m): 491.0	FD shares (m): 653.1
10% discount	454	467	479	492	504		FD + FF 1465.0
8% discount	563	576	590	604	618		
7% discount	626	640	655	669	684		
5% discount	773	789	805	822	838		
Valuation (C\$/sh)	\$25.0oz	\$27.5oz	\$30.0oz	\$32.5oz	\$35.0oz		
0.40xNAV	0.52	0.53	0.54	0.55	0.56		
0.50xNAV	0.65	0.66	0.67	0.69	0.70		
0.60xNAV	0.78	0.79	0.80	0.82	0.83		
Sources and uses of cash		1Q25		FD		Commodity price	
Sources	US\$m	Uses	US\$m			CY23E	CY24E
Build Capex (US\$m)	US\$400m	PF cash+options	US\$31m			CY25E	CY26E
G&A & fin. cost to production (US\$m)	-US\$11m	Debt package (US\$m)	US\$288m			CY27E	
Working capital (US\$m)	US\$17m	Equity raised (US\$m)	US\$203m			Gold price (US\$/oz)	1,943
SCPe evaluation costs	US\$13m					2,387	2,548
Total uses (US\$m)	US\$419m	Total sources (US\$m)	US\$522m			2,368	2,300
Total contingency buffer (US\$m)	US\$103m						
Valuation over time		1Q25		FD		Ratio analysis	
Mines NPV (US\$m)	590	543	595	651	757	FD shares out (m)	317.6
Cntrl G&A & fin costs (US\$m)	(92)	(79)	(90)	(100)	(113)	EPS (C\$/sh)	(0.085)
Net cash at 1Q (US\$m)	29	8	31	42	206	CFPS before w/c (C\$/sh)	(0.00)
1xNAV (US\$m)	527	472	536	592	850	FCFPS pre growth (C\$/sh)	(0.09)
1xNAV share px FD + FF (C\$/sh)	1.34	1.44	1.32	1.22	0.82	FCF/sh (C\$/sh)	(0.09)
P/NAV (x)	0.19x	0.18x	0.20x	0.21x	0.32x	FCF per oz (C\$/sh)	-
ROI to equity holder (% pa)	415%	453%	125%	67%	33%	FCF yield - pre growth (%)	(49%)
Geared company C\$ 1xNAVPS diluted for mine build, net G&A and interest		1Q25		FD		FCF yield (%)	(49%)
1Q25 1xNAV FF FD (C\$/sh)^	\$25.0oz	\$27.5oz	\$30.0oz	\$32.5oz	\$35.0oz	EBITDA margin (%)	-
10.0% discount	0.54	0.54	0.55	0.56	0.58	FCF margin (%)	(149%)
8.0% discount	0.65	0.66	0.67	0.69	0.70	ROA (%)	(79%)
5.0% discount	0.89	0.90	0.92	0.93	0.95	ROE (%)	69%
1Q25 1xNAV FF FD (C\$/sh)^	\$25.0oz	\$27.5oz	\$30.0oz	\$32.5oz	\$35.0oz	ROCE (%)	98%
20% increase in cost per tonne	0.78	0.79	0.81	0.83	0.84	EV (C\$m)	82
10% increase in cost per tonne	0.72	0.73	0.74	0.76	0.77	PER (x)	(3.0)
0% increase in cost per tonne	0.65	0.66	0.67	0.69	0.70	P/CF (x)	(3.4)
-10% increase in cost per tonne	0.59	0.60	0.61	0.62	0.63	EV/EBITDA (x)	-
1Q25 1xNAV FF FD (C\$/sh)^	\$25.0oz	\$27.5oz	\$30.0oz	\$32.5oz	\$35.0oz	Income statement	
20.0% change in capex	0.56	0.57	0.58	0.59	0.61	CY23E	CY24E
10.0% change in capex	0.60	0.62	0.63	0.64	0.65	CY25E	CY26E
0.0% change in capex	0.65	0.66	0.67	0.69	0.70	CY27E	
-10.0% change in capex	0.70	0.71	0.72	0.73	0.75	Revenue (C\$m)	20
						COGS (C\$m)	(31)
						Gross profit (C\$m)	(11)
						G&A & central	(9)
						Depreciation	--
						Impairment & other (C\$m)	0
						Net finance costs (C\$m)	(2)
						Tax (C\$m)	(0)
						Minority interest (C\$m)	--
						Net income attr. (C\$m)	(22)
						EBITDA	--
						Cash flow	CY23E
						Profit/(loss) after tax (C\$m)	(27)
						Add non-cash items (C\$m)	3
						Less wkg cap / other (C\$m)	23
						Cash flow ops (C\$m)	(1)
						PP&E (C\$m)	(5)
						Other (C\$m)	--
						Cash flow inv. (C\$m)	(6)
						Debt draw (repayment) (C\$m)	3
						Equity issuance (C\$m)	4
						Other (C\$m)	(1)
						Cash flow fin. (C\$m)	6
						Net change post forex (C\$m)	(1)
						FCF (C\$m)	(6)
						Balance sheet	CY23E
						Cash (C\$m)	0
						Accounts receivable (C\$m)	0
						Inventories (C\$m)	2
						PPE & exploration (C\$m)	10
						Other (C\$m)	22
						Total assets (C\$m)	35
						Debt (C\$m)	4
						Other liabilities (C\$m)	70
						Shareholders equity (C\$m)	28
						Retained earnings (C\$m)	(71)
						Minority int. & other (C\$m)	--
						Liabilities+equity (C\$m)	31
						Net Cash	(3)
						Net Debt to NTM EBITDA (x)	(0.3x)



Production (100%)	CY28E	CY29E	CY30E	CY31E	CY32E
Quilacocha AgEq production (000oz)	2,485	11,984	14,083	14,083	14,122
Group cash cost (US\$/oz)	6.1	6.1	6.1	6.1	6.1
Group AISC (US\$/oz)	6.1	6.9	6.9	6.9	6.9

Source: SCP estimates

## Greenheart Gold (GHRT CN)

### Initiation: Ex-Reunion Gold team back to 'do it again' in the Guiana Shield

RECOMMENDATION: **BUY**

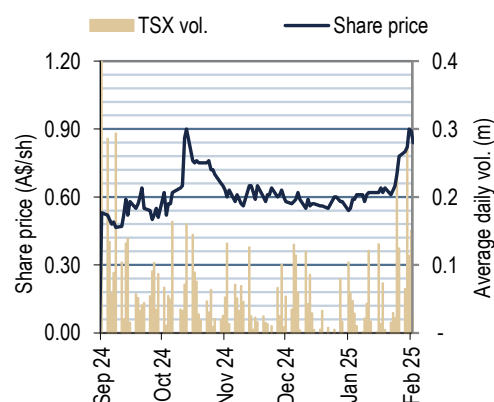
PRICE TARGET: **C\$2.90/sh**

RISK RATING: **SPECULATIVE**

#### SHARE DATA

Shares (basic, FD)	153 / 163
52-week high/low (C\$/sh)	0.47 / 0.95
Market cap (C\$m)	116
Net cash (debt) (US\$m)	31.5
FD EV (US\$m)	52
Average daily value (US\$000, 3M)	0.04
1.0xNAV @ C\$30/oz (US\$m)	478
1.0xNAV FD (C\$/sh)	2.90

Justin van der Toorn	CEO, President, and Director
David A. Fennell	Executive Chair
Alain Krushnisky	Chief Financial Officer
Carole Plante	Corporate Secretary
Doug Flegg	Senior VP, Corporate Development



Source: SCPe; Factset for trading metrics

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#### Guiana Shield explorer coming off a big win with C\$45m cash

TSXV listed Greenheart Gold is a junior exploration company focused on high-potential gold projects in Guyana and Suriname, leveraging a proven team with a track record of success, including the discovery of the Oko West deposit (~6Moz Au) under Reunion Gold in 2021. Spun out from the G Mining Ventures and Reunion Gold merger in July 2024, Greenheart raised C\$15m at inception, listed in September 2024 and closed a subsequent financing of C\$36m. The company is actively exploring across five projects in Suriname and Guyana with its first drill program underway.

#### Same team, refined strategy, fresh prospects and lots of cash

Greenheart builds on Reunion Gold's 5.9Moz Oko West success—same expert team, now with C\$45m cash and sharper focus. Reunion paved the way, but its market climb wasn't as quick as peers like RUP or GBR. Today, the Guiana Shield's early-stage allure stands out, with peer Founders Metals (~C\$484m EV) gaining traction from greenfield drilling—proof the region pulls more than it did back then. At ~C\$87m EV, Greenheart is primed to ride that wave with five high-potential licenses—Majorodam (near a Zijin's 1.1Moz deposit), Igab (95km<sup>2</sup>, 31m @ 1.36g/t Au channel), and Abuya (90km<sup>2</sup>, near Zijin's Aurora mine)—Greenheart's exploration echos Oko West's winning traits by identifying: (i) prime spots near alluvial mining, (ii) volcanic-sedimentary units along granitoid margins, and (iii) strong gold geochem anomalies (some >500ppb).

#### Guiana Shield heats up with discoveries and M&A

With arguably the best geology in the world for gold exploration (akin to West African greenstones), we think Guyana and Suriname's permitting regimes make them leading countries for exploration, permitting, and mining in the Guiana Shield. They stand out to us against the fiscal, permitting, and access difficulties in Venezuela and French Guiana. Giants like Zijin and Newmont have thrived here for years, and fresh heavyweights—Anglo Gold Ashanti (C\$22m in G2 Goldfields), G Mining Ventures (C\$875m for Reunion Gold), and B2 Gold (~C\$14.7m in Founders Metals)—are piling in.

#### Initiate with BUY rating and C\$2.90/sh price target

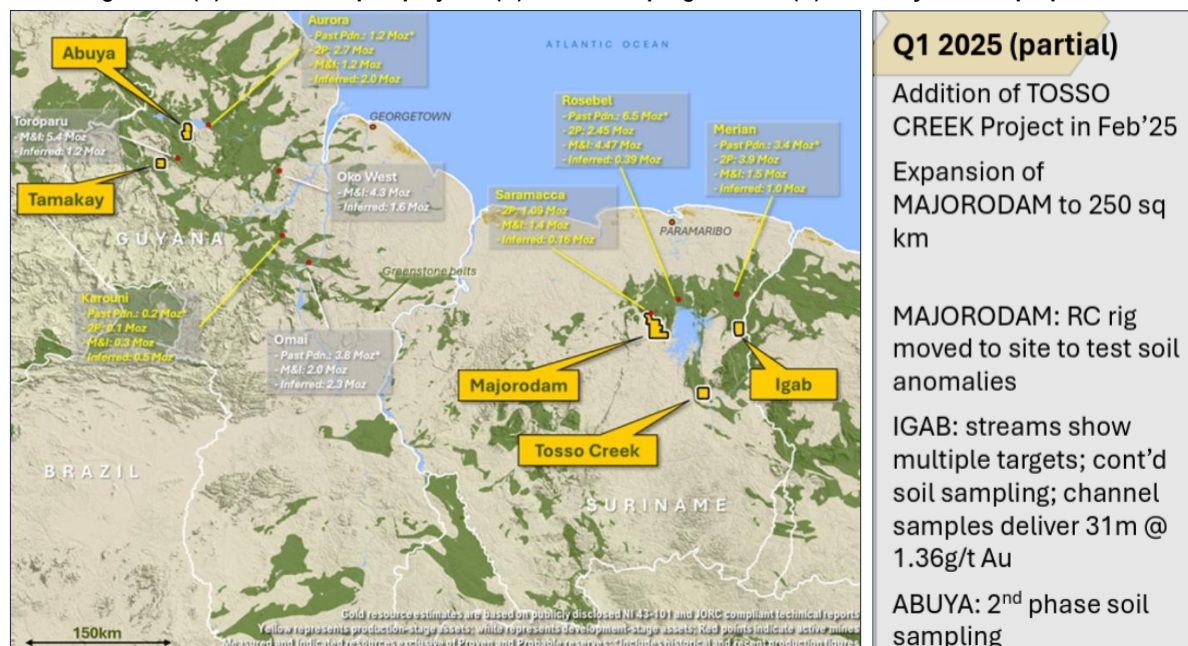
We initiate coverage of Greenheart with a BUY rating and target price of C\$2.90/share, based on a US\$100/oz valuation for a potential 3Moz discovery. Our NAV rests on three pillars: a prime geological setting in the Guiana Shield for 5Moz-plus finds, high entry barriers that support a premium for Greenheart's land package, and a seasoned team with a streamlined strategy and C\$45m in cash—offering a favorable risk-reward profile. The Shield's growing appeal and market recognition, paired with Greenheart's consolidation of prospective ground, bolster its exploration potential. Like peers, early drilling momentum could unlock substantial value for early investors.



## Company overview

Greenheart Gold is a new company, listing in September 2024 after the spin out from Reunion Gold after being acquired by G Mining Ventures (GMIN-TSX, C\$3.67bn mc) for C\$875m. Greenheart Gold's strategy is to build a robust, systematically explored portfolio, starting with its five active projects: Majorodam, Tosso Creek and Igab in Suriname, and Abuya and Tamakay in Guyana—all with remarkably close analogies to Reunion Gold's Oko West geological setting (Figure 20). Greenheart's approach prioritizes cost-effective exploration techniques, focusing on geochemical and geophysical surveys before advancing to trenching and drilling. Since listing, the company has advanced several high priority targets to drill start in 1Q25, with an experienced team led by executives with decades of in-country experience and strong local relationships—making all the difference in our view.

Figure 20. (A) Location map of projects (B) 1Q25 work progress and (C) summary table of properties



Project	Country	Land Area	SCP Highlights
Majorodam	Suriname	~252 km <sup>2</sup>	12km from Zijin's Saramacca deposit, with gold anomalies up to 1.51 g/t Au in soils and structural fabric insights from airborne survey
Igab	Suriname	95 km <sup>2</sup>	High-grade channel sample: 31m @ 1.36 g/t Au, located 30 km south of Newmont's Merian Mine
Tosso Creek	Suriname	96 km <sup>2</sup>	Rare, high-grade gold soil anomalies >500ppb over 800x100m survey, and artisanal mining, with high mineralization potential in the Parakara Formation
Abuya (Guy)	Guyana	90 km <sup>2</sup>	Strong gold anomalies up to 0.55 g/t Au along key granitic-volcanic contact, 20km W of Aurora mine's geological setting
Tamakay	Guyana	55 km <sup>2</sup>	1,500m by 750m soil anomaly within the volcano-sedimentary rock units, ~20km from Toroparu (6.6Moz MRE), with trenching work underway to expose high grade gold in quartz veins

Source: Greenheart Gold, SCP

Table 7. Greenheart Gold - Management, board, shareholders

Name	Role	Equity Ownership*	Background
<b>Board of Directors</b>			
Bennett, Elaine	Ind. Director	0.23%	CPA 30y exp as financial executive in mining, was VP financ and CFO Sabina Gold and Silver
Cohen, Richard	Ind. Director	0.57%	In investment industry since 1983, as mining analyst & IB, curr MD at Mincap Merchant Partners
Fleming, Adrian Wallace	Ind. Director	0.21%	40y in expl and dev stage mining comps in NA, SA, and AUS. Co-founder of Underworld Resources
Nasr, Karim Michel	Ind. Director	0.12%	25y in corp finance and investments, curr CIO and managing partner at G Mining Capital.
Petkovic, Dusan	Ind. Director	0.12%	10y exp in resource capital markets. Co-founded G Mining. Curr SVP Corp Strat at G Mining
<b>Senior Management</b>			
Fennell, David	Exec Chairman	3.60%	40y exp in mining, Pres and CEO of Golden Star. Founded Reunion Gold Corp
van der Toom, Justin	CEO, Pres & Director	0.98%	20yrs exp exploration geologist. Prev VP Exploration of Reunion Gold
Kushnisky, Alain	CFO	0.48%	30y exp in mining w/ 10y with Cambior incl as VP and controller. CFO of Reunion
Plante, Carole	Corp Secretary	0.29%	30y as general counsel and corporate secretary for various comps worldwide.
Flegg, Douglas	SVP, Corp Dev	1.11%	38y in mining and finance, prev MD Global Mining Sales w/ BMO raised over \$35b
<b>SEDI insiders (&gt;10% holders)</b>			
G Mining Ventures Corp.		10%	

Source: System for Electronic Disclosure by insider (SEDI); sedi.ca, \*Assuming excersize of warrants and options on a fully diluted basis

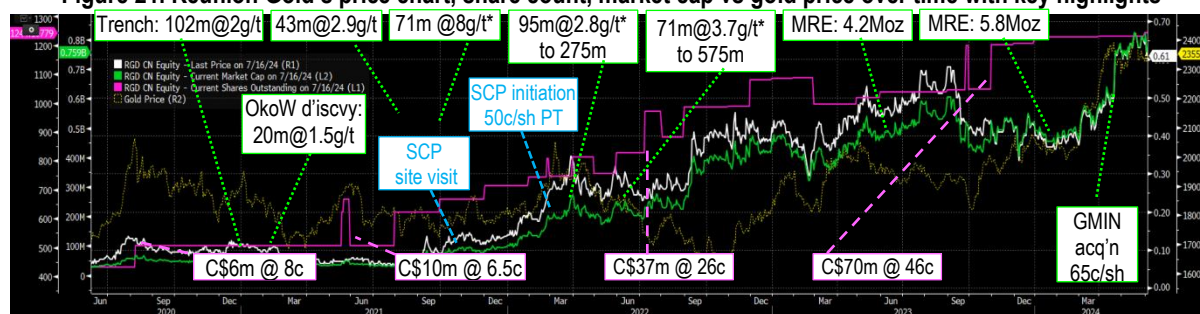


## Reunion Gold: A case study in the allure of the Guiana Shield's prospectivity

Led by veteran David Fennell, Reunion Gold's Guiana Shield journey dates to the 1990s with Omai and Rosebel, continuing through the 2000s before winding down in the early 2010s with the sale of manganese assets. In 2016/17, RGD optioned French Guyana and Guyana properties, then formed a 50/50 JV with Barrick for the Guyana assets. **Oko West** was optioned in 3Q18. During CY19 airborne geophysics were flown, and solid surveys were completed, identifying a 6km soil anomaly in 1Q20. Following this, Barrick elected to exclude Oko West from the exploration alliance between the two companies. Geologically, Oko West is a classic Archean orogenic gold deposit, shear-controlled and located at the edge of a granitoid—it sits on a trans-crustal lineament, tapping deep fluids, with favourable physical (pressure shadow) and geochemical (volcaniclastic) conditions provided by its proximity to the granitoid. A composite trench of **102m @ 2.0g/t Au** in 4Q20 was followed with hole one hitting 20m @ 1.5g/t: the discovery was made in Feb-21.

From there the drilling came thick and fast, with highlights in 3Q21 of a composite **71m @ 8g/t** in a single hole, but still generally <200m deep. The 'ah hah' moment came on January 17<sup>th</sup>, 2022, as two deep holes hit **64m @ 3.0g/t from 139m** and **59m @ 2.7g/t from 193m**, improving thereafter with **65m @ 2.5g/t** to 275m below surface. Even deeper drilling revealed gold extending to 1km depth, leading to an eventual 5.8Moz MRE in 2Q24 in combined open pit and underground resource. G Mining acquired the project for C\$875m in July 2024, with a PEA in 3Q24 projecting a 353koz pa @ US\$986/oz AISC LOM operation driving US\$1.4bn after-tax NPV at US\$1,950/oz gold. Interim environmental permits allowing the company to begin construction activities were granted in 1Q25, the project is on track for a remarkably swift transition from discovery to development, underscoring Guyana's mining potential. The deposit shares a boundary with G2's 3.1Moz resource, bringing the combined resource within a 4km strike to ~7.8Moz—highlighting the geological attractiveness of the Guiana Shield.

**Figure 21. Reunion Gold's price chart, share count, market cap vs gold price over time with key highlights**



Source: Bloomberg, SCP; \*composite downhole

In retrospect, Reunion's discovery may appear 'simple,' but such overnight successes are rarely as swift as they seem. Decades of systematic exploration laid the groundwork for this breakthrough. Crucial to operating in the Guiana Shield, the company initially leveraged a strong local network to secure the option. However, despite the eventual success, Reunion 'struggled' with early market momentum—evidenced by the stock trading at just 13c/sh in November 2021, only ~3c higher ~9M after the discovery. We were on-site at that time, witnessing firsthand the gap between the breakthrough and market perception. What sets the current landscape apart is the market's newfound recognition of the potential in early-stage exploration within the Shield. This shift is reflected in Founder's Metals (FDR-TSXV) early market momentum once drilling started and now valued at ~C\$537m mc, compared to Greenheart's ~C\$116m mc, even before its initial drill results begin to emerge. The real opportunity, it seems, lies in the drilling ahead.

## "Don't fix what's not broken": Proven team, playbook, and cash position Greenheart for success

With decades of exploration expertise, a proven strategy, and C\$45m in cash, we think Greenheart is ready to build on its success. Critically, we believe the company has refined their methodology and have the 'know how' on what to look for and how to operate cost efficiently in the shield. The company has secured five highly prospective licenses in the Guiana Shield, reducing risk and maximizing discovery potential. Each prospect shares key features from the successful Oko West discovery including (i) strategic locations near or upstream from active alluvial mining, (ii) favorable geological settings with volcanic and sedimentary units along granitoid margins, and (iii) significant geochemical anomalies or gold-bearing rocks. Backed by substantial capital and a clear strategy, Greenheart is poised to turn these opportunities into value for shareholders. **We discuss each prospect below.**

## Ramping up exploration: Greenheart's aggressive exploration across five prospects in 2025

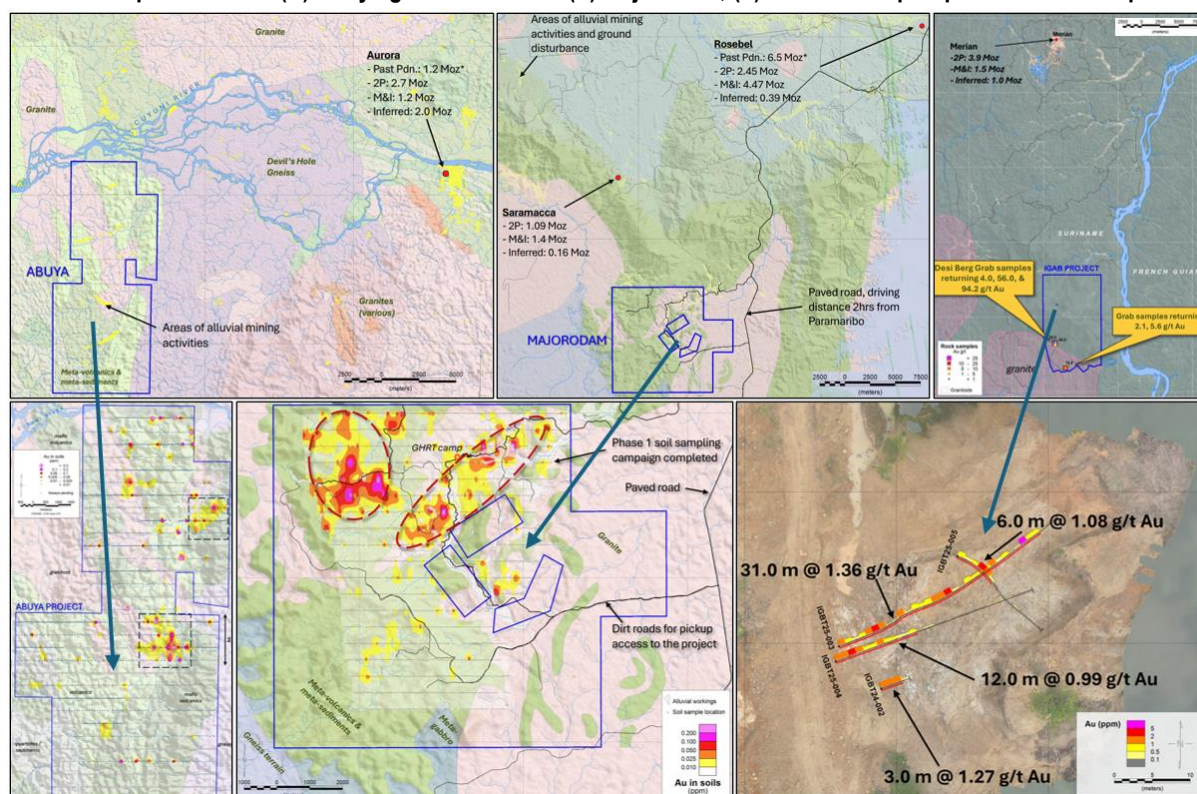
**Majorodam Project (Suriname):** Located 12km from the 1.1Moz Saramacca deposit in the Marowijne Greenstone Belt, Majorodam now covers 251.5km<sup>2</sup> after a recent expansion. Recent infill soil sampling revealed two significant gold anomalies: the first, over the Heuvel target, measuring 2km by 3km, and the second, the Helling target, measuring over 1km by 5km. Excitingly, **drilling has started with a 1,500m RC program** targeting the Heuvel zone, while trenching continues at the Helling target, and soil surveys are set to begin over the newly acquired land position to the north of the Heuvel and Helling targets.

**Igab Project (Suriname):** Covering 95 km<sup>2</sup>, Igab lies 30km south of Newmont's Merian Mine (CY24: 274koz @ US\$1,850/oz AISC), along a granodiorite-mafic volcanic contact. Artisanal mining and grab samples returned assays up to 94.2g/t Au. Ongoing exploration includes stream sediment sampling, ridge-and-spur soil surveys, and a completed LiDAR survey for mapping. However, with the recent channel sampling at Lemon Tree returning **31m @ 1.36 g/t Au** (Figure 22F) within a mineralized deformation zone, we think drilling could be expedited here.

**Abuya Project (Guyana):** Spanning 90km<sup>2</sup> across 20 mining permits (Figure 22A), Abuya is strategically located near the Aurora Gold Mine in northwest Guyana. Early exploration identified multiple gold anomalies, with assays up to 0.55g/t Au along granitic-volcanic contacts, like Aurora. The Company's phase 2 soil sampling (500 m x 50 m grid) infilled prior 1,000m x 100m work, revealing two 2km x 1km anomalous zones tied to contact areas, including a granite body's southern tip (Figure 22A). Partial results are in, with more due soon; next steps include trenching, channel sampling, and possible drilling later this year.

The beauty with Abuya, Igab, Majorodam and Tamakay (below), is the combination of good geology and location – meaning the size threshold of a discovery is significantly reduced compared to more remote peers, evidenced by Zijin's 1.1Moz Saramacca satellite deposit being mined 25km SW of Rosebel processing plant shown in Figure 22B below.

**Figure 22. Top: Location maps (A) Abuya, (B) Majorodam, and (C) IGAB  
Bottom: plan views of (D) Abuya gold in soils and (E) Majorodam; (F) Lemon Tree prospect channel samples**



Source: Greenheart Gold

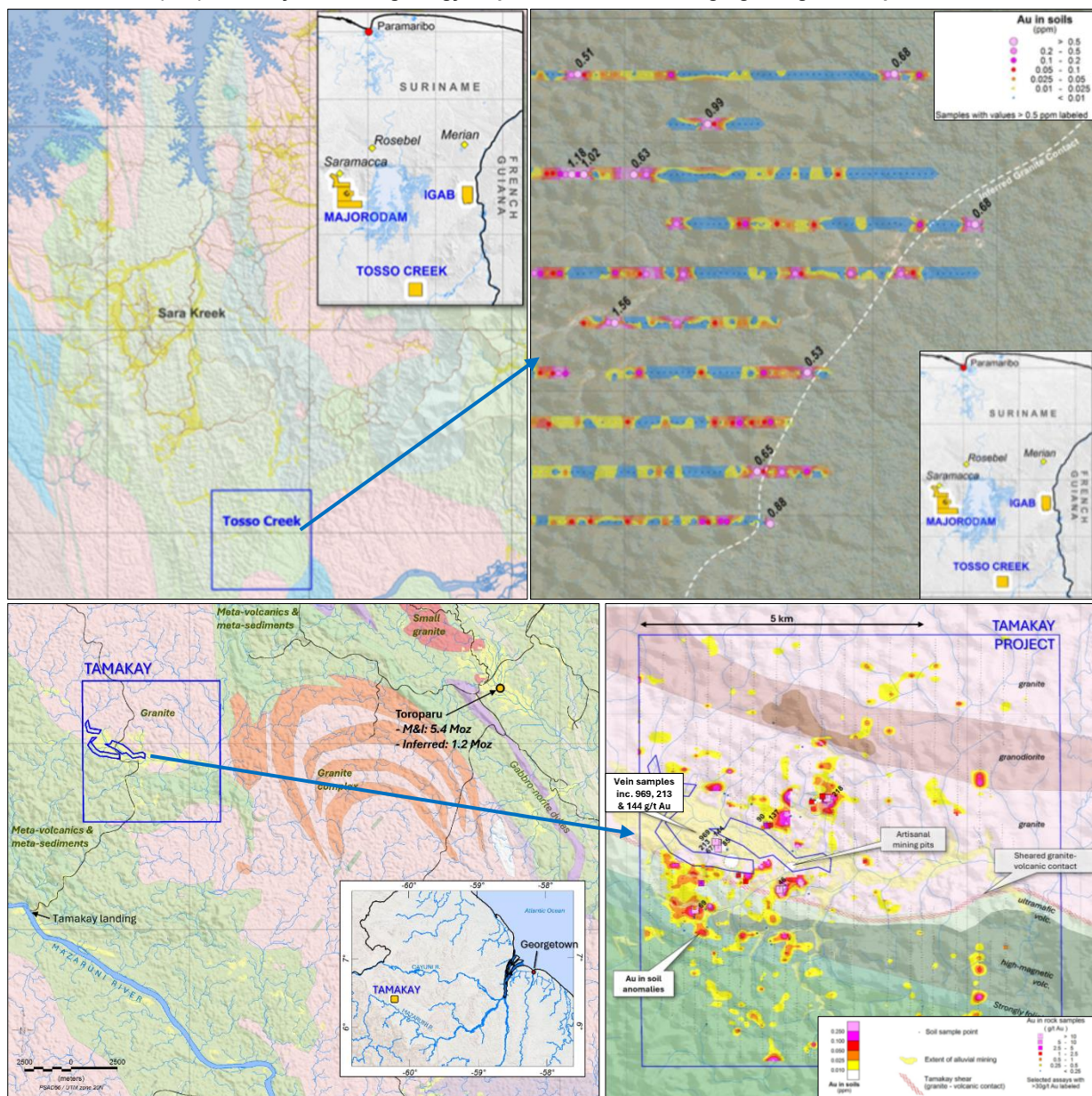
**Tosso Creek (Suriname):** Spanning 96 km<sup>2</sup>, Tosso Creek lies 180km south of Paramaribo, accessible via boat across the Brokopondo reservoir and road, within the mineral-rich Parakama Formation—a 100km sequence of metavolcanics and metasediments hosting artisanal mining, including the Sara Creek gold fields 25km north



(Figure 23). The area features isoclinal folding with a north-south strike, cross-cut by east-northeast faults, and comprises volcano-sedimentary and granitic units with a northeast-southwest contact. Active alluvial mining targets both lithologies and their contact, supported by an 800m x 100m reconnaissance soil survey revealing coherent gold anomalies, with ten samples >500ppb Au, including four >1000ppb. **Whilst early days and more sampling is needed, this anomaly stands out on grade and size—begging to be drilled.**

**Tamakay (Guyana):** Covering 136km<sup>2</sup>, Tamakay lies 20km west of Aris Mining's 6.6Moz Toroparu project in northwest Guyana (or ~250km from G Mining's Oko West), accessible by boat up the Mazaruni River and vehicle from Tamakay Landing (Figure 23C). Since 1937, artisanal mining has targeted quartz veins in granites near volcanic contacts, with recent assays peaking at **969 g/t Au, 213 g/t Au, and 144 g/t Au**. Greenheart Gold's initial mapping and sampling revealed a 1.5km x 0.75km volcanic anomaly and grab anomalies in the granites (Figure 23D). Trenching is planned to test vein extents and pervasive gold potential. **We're particularly excited about this one—we think it is reminiscent of the early days at Oko West.**

Figure 23. Tosso Creek (A) location map / regional geology & (B) initial 0.8km by 0.1km reconnaissance soil results (C/D) Tamakay location / geology map & soil anomalies + high-grade grab samples



Source: Greenheart Gold



**Recommendation: Initiate coverage with BUY rating and C\$2.90/sh Price Target**

Using a US\$100/oz valuation (similar to the US\$110/oz paid for Oko West), we apply this to a nominal 3Moz potential discovery—but acknowledge that even ~1Moz at economic grades could be of value to the surrounding mills. While entirely speculative at this stage, the market's willingness to assign value to pre-discovery exploration in the Guiana Shield is evident, as seen with FDR's recent performance (+347% in 12M) on its greenfield drilling in Suriname.

With C\$45m in cash—representing >35% of the company's current market cap—we think Greenheart is well-positioned to capture upside. **We initiate coverage with a BUY rating and a target price of C\$2.90/share** (or ~480m NAV potential), acknowledging that estimates will evolve as exploration progresses. While our NAV is entirely speculative, Greenheart's portfolio, backed by proven expertise and a substantial cash position, mitigates the downside risk in our view. The Guiana Shield's geology and market visibility, coupled with Greenheart's ability to consolidate key land, enhances its exploration potential and ability to gain early momentum akin to FDR-TSXV. Should Greenheart make a significant discovery, the rewards could far outweigh the current valuation.

**Table 8. SCP SOTP Valuation and Price target for Greenheart Gold**

Ticker: GHRT CN		Price/mkt cap: C\$0.76/sh, C\$116m		Group P/NAV today: 0.26x		Asset: Guiana Shield portfolio				
Author: B Gaspar		Rec / 1xNAV PT: BUY, C\$2.9/sh		Risk Rating: Speculative		Country: Guyana / Suriname				
Share data	Basic	FD	FD EV	Commodity px						
Shares (m)	153.2	162.5	78.5	Au (US\$/oz)		CY25E	CY26E	CY27E	CY27E	CY28E
SOTP project valuation*										
	C\$m	O/ship	NAVx	C\$/sh	Project	Country	Land package			
SCPe nominal val. @ US\$100/oz Au	429	100%	1.0x	2.64	Majorodam	Suriname	~252 km2			
Cash	45.0	-	1.0x	0.28	Igab	Suriname	95 km2			
Cash from options+warrants	4.6	-	1.0x	0.03	Tosso Crk	Suriname	96 km2			
SCPe Group 1xNAV	478			PT: 2.90	Abuya	Guyana	90 km2			
*Ex G&A and fin. costs				Market P/NAV: 0.26x	Tamakav	Guvana	--			

Source: SCP estimates

**Catalysts**

- 1H25: Initial drill results from Igab / Majorodam
- CY25: Greenfield exploration / drill planning across the portfolio

**Risks**

- Exploration risk: High – While the geological potential is strong, there remains a significant risk of not discovering substantial mineralization, as with any exploration project. The company mitigates this risk through diversified work programs across multiple prospects.
- Valuation / Price Target: High – without drilling or a resource/reserve, it is too early to develop a financial model for Greenheart, thus the main conceptual value here is the option value of making a potential major discovery. From Greenheart's share price momentum and the valuation of other explorers in the shield, we believe the market attributes significant option value to land packages with Greenheart's quality.
- Financing: funding is always a risk in junior mining and market dependant. With C\$45m in cash, Greenheart has a solid cash position to fund exploration for the near term without immediate need for external financing.

## Titan Minerals (TTM AU)

### Initiation: 3.4Moz at 2.4g/t AuEq in Ecuador now defining a mine

RECOMMENDATION: **BUY**

PRICE TARGET: **A\$1.40/sh**

RISK RATING: **SPEC**

#### SHARE DATA

Shares (basic, FD)	260 / 261
52-week high/low (A\$/sh)	0.19 / 0.6
Market cap (A\$m)	99
Net cash (debt) (US\$m)	11.7
FD EV (US\$m)	51
Average daily value (US\$000, 3M)	0.19
1.0xNAV @ A\$30/oz (US\$m)	365
1.0xNAV FD (A\$/sh)	1.40

Melanie Leighton	CEO
Pablo Morelli	Exploration Manager
Cecilia Peñaherrera	CSR Manager
Johana Yunga	Environmental & OHS Manager
Kathy Skead	Database & GIS Manager
Michael Skead	Chief Technical Advisor

#### Ecuador Au-Cu explorer advancing 3.1Moz Dynasty Project

Titan Minerals is an ASX-listed Au and Cu explorer in Ecuador's Andean Copper Belt. Its flagship Dynasty Gold Project hosts 3.1Moz Au at 2.2g/t Au and 22Moz Ag at 16g/t with a 10,000m drilling program underway targeting expansion to +5Moz. Its copper portfolio includes Linderos Copper Project (Hancock US\$120M earn-in for up to 80%) and Copper Duke.

#### Path cleared to focus on bringing Dynasty to production

Originally Peru focused, Titan acquired the assets via merger with TSX-listed Core Gold in 2019 after Core ran into difficulties toll milling gold from Cerro Verde. It took several years to put the right team in place, clean up legacy holdings (divested Peru and the Zaruma Mill in Ecuador), JV out Linderos to Hancock (US\$120m for up to 80%) and update the Dynasty MRE, we think Titan is better positioned than at any point in the last five years.

#### Targeting 5Moz while derisking met and engineering for PEA

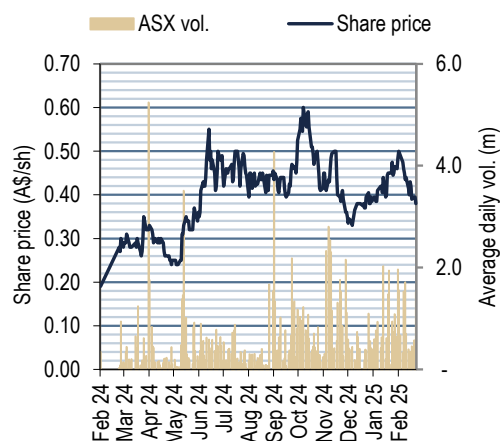
Titan has A\$19m of cash with 10,000m of drilling ongoing. We think the path forward is first to expand the resource at Cerro Verde and Iguana (2.6Moz of the 3.1Moz MRE) at depth and increase drill density while simultaneously pushing metallurgical test work and engineering to support a PEA. We think there's potential for a low-strip (sub 10x) 100-150kozpa project near surface while management is also noting potential for total endowment of 5Moz.

#### Site visit: Good infrastructure, previous owner had mining permit

Infrastructure is an advantage as Dynasty is 5km from the town of Celica (pop 5k) at 1,100m elevation with power, water and internet coverage accessible. Prior operator Core Gold had a small-scale mining license with support from local communities and we can see a mine here, albeit community relations can and are being repaired after Core was unable to fulfil all their agreed financial contributions. We see engineering / studies are the key bottleneck in our view as we think permitting and social can be achieved with a developer's budget.

#### Initiate with BUY rating and A\$1.40/sh price target

We model a conceptual 1.3Moz reserve at 1.4g/t Au at 88% Au recovery and 12g/t Ag at 70% recovery generates an 11.5-year mine life at 108kozpa AuEq at US\$1,396/oz AuEq which generate a US\$337m NPV<sub>5%-2300</sub> and 21% post-tax IRR. Given the key workstreams (MRE, metallurgy and engineering) upcoming we value Dynasty at US\$50/oz AuEq (US\$168m). Adding US\$50m for the copper assets and US\$12m for cash on hand, we generate a US\$230m / A\$365m NAV and initiate with a BUY rating and A\$1.40/sh price target.



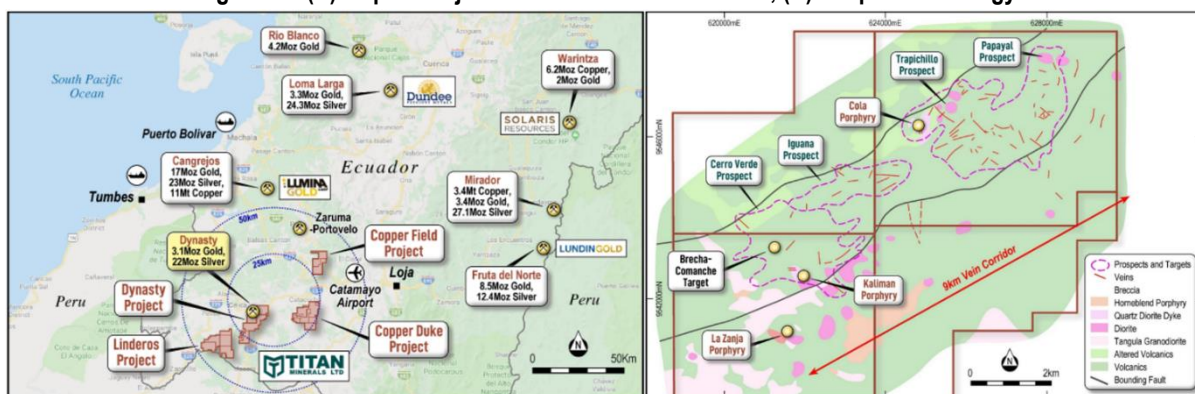
Source: SCPe; Factset for trading metrics

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### High grade >3Moz gold explorer in Ecuador pushing towards a mineable project

The Dynasty Gold Project, located near the town of Celica (~3hr from Machala) in southern Ecuador, hosts a substantial gold-silver resource totalling 3.12Moz gold and 22Moz silver at 2.23g/t Au and 15.7g/t Ag. The project comprises four main deposits - Cerro Verde (1.92Moz Au, 12Moz Ag), Iguana (0.71Moz Au, 4.8Moz Ag), Trapichillo and Papayal - distributed along a 9km epithermal gold corridor. Mineralization is notably shallow with over 50% of resources within 100m of surface and 80% within the top 200m, classified as 39% Indicated and 61% Inferred. The deposit is relatively high-grade, with resources above 2.0g/t Au cutoff containing 2Moz gold at 3.8g/t Au and 13Moz silver at 24g/t Ag. Titan Minerals is advancing resource definition and expansion through ongoing drilling campaigns, with significant exploration upside remaining in previously untested areas. The project benefits from favourable infrastructure (power, roads, water), low elevation (~1,100m ASL) allowing year-round activities, proximity to the Pan-American Highway, and accessible workforce from nearby communities, positioning it as one of Ecuador's emerging gold development opportunities.

Figure 24. (A) Map of Projects within Southern Ecuador, (B) Simplified Geology

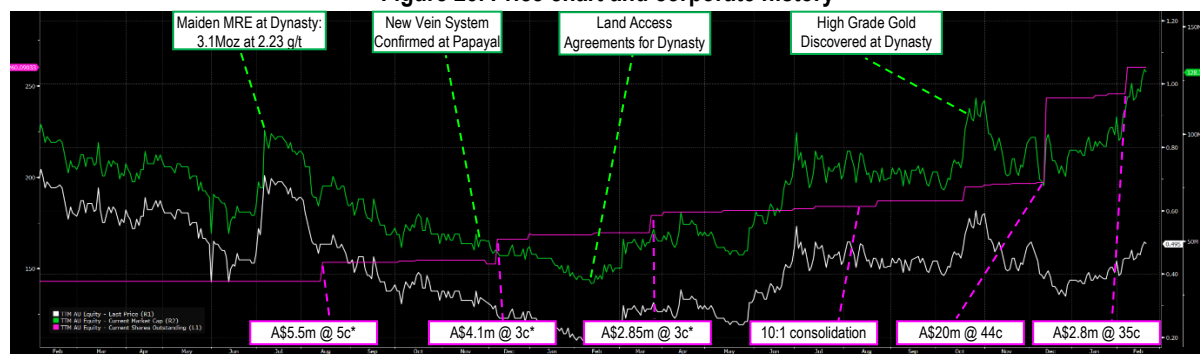


Source: Titan Minerals

### Overview / History: Revamped team, strategy and geological practices to advance Dynasty

Titan was originally a Peru focused gold producer sourcing ore from artisanal sources. The company pivoted away from Peru and announced the friendly acquisition of Core Gold in early 2019. Core had delineated a 2.1Moz at 4.5g/t 43-101 MRE at Dynasty and started open pit production at small scale at Cerro Verde, trucking the ore to the 2ktpd Zaruma Mill. Production stopped in 2020 during Covid still under Core operatorship before the merger closed in May 2020. Titan, then under MD Laurie Marsland, pivoted to exploration at Dynasty and copper projects Linderos and Copper Dynasty. They added in VP Exploration Michael Skead in April 2021 and Exploration Manager Pablo Morelli (ex-Kinross Chile, Newmont/Barrick Chile) in January 2022 and new CEO Melanie Leighton January 2023 adding significant geological bench strength and revamped practices, leading to an updated 3.1Moz Au at 2.2g/t MRE update in July 2023 which incorporated the wider halo around the high-grade epithermal veins. Drilling continued to add lateral near surface ounces at Cerro Verde while also drilling the relatively less drilled Papayal and Trapichillo deposits, while Titan completed a JV earn-in agreement with Hancock (up to US\$120m spend by Hancock for an up to 80% project interest) for the Linderos porphyry project. Titan completed an A\$20m at A\$0.44/sh raise in 4Q24 and enters 2025 well-funded with A\$19m and 10,000m of drilling planned at Dynasty.

Figure 25. Price chart and corporate history\*



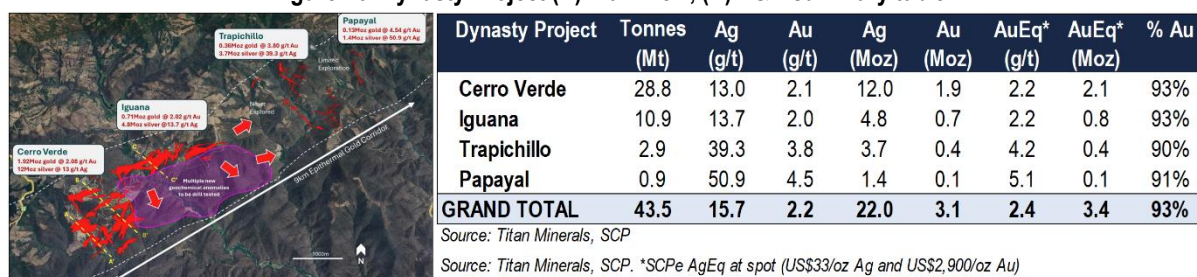
Source: Bloomberg, SCP, Titan Minerals; \*pre-consolidation share pricing



### 3.1Moz Dynasty: 2.6Moz at Cerro Verde and Iguana, 52% of MRE in top 100m, 82% in top 200m

Dynasty hosts intermediate sulphidation epithermal Au-Ag vein mineralization within a 9km by 2km corridor. The resource totals 43.5Mt at 2.2 g/t Au and 15.7g/t Ag for 3.1Moz Au and 22.0Moz Ag, with 39% in indicated and 61% in inferred. Drill spacing followed vein orientation and varies but indicated resources were defined where spacing is at least 50m along strike x 50m down dip and inferred is maximum 50-150m along strike x 50-150m down dip. 52% of the resource is within 100 meters from surface and 82% within 200m. The resource is split across four prospects: Cerro Verde (1.9Moz Au), Iguana (0.7Moz Au), Papayal (0.4Moz Au), and Trapichillo (0.1Moz Au). The estimate utilized a 0.5 g/t Au cut-off and was based on data from 394 diamond drill holes, 85 channels, and 1,599 trenches. The model used 10m x 10m x 10m parent blocks with sub-cells of 1x1x1m, estimated using Ordinary Kriging with dynamic anisotropy. Economic assumptions included a gold price of US\$1,850/oz, mining cost of \$2.50/t, processing cost of \$25/t, and recoveries of 93% for gold. The MRE was not pit constrained, but factors such as gold price and operating costs were used to determine maximum pit depths ranging from 380m at Cerro Verde to 120m at Papayal.

Figure 26. Dynasty Project (A) Plan View, (B) R&R summary table

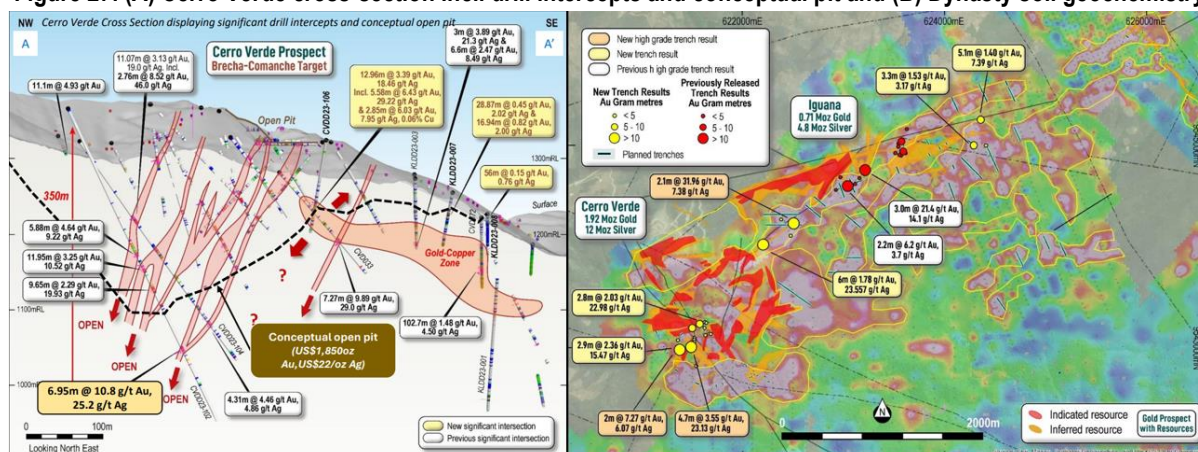


### 10,000m of drilling targeting mid-year MRE (5Moz target), met tests and engineering to drive 2H25 PEA

A 10,000m resource drilling program is underway with two rigs targeting extensions and infill at Cerro Verde and Iguana plus new geophysical and geochemical anomalies along the 9km strike length. Given the critical mass is to the west at Cerro Verde and Iguana, that is the main focus for drilling. Additionally, 5,000m of drilling is planned to test new targets and ounce growth at various exploration targets including Iguana, Papayal, Trapichillo and porphyry targets, leading to a mid-year MRE. We're looking for ounce growth in lateral extensions at Cerro Verde and Iguana as we think those deposits are mostly likely to anchor the mine plan. Additions at depth (Titan noted a 5Moz target) are the most likely to add to the ounce base in our view, although we think this would require tight spacing to support a potential underground component.

Metallurgy remains a key area to derisk as metallurgical test work is in early stages. Initial oxide leach testing (~20% oxides in MRE) returned strong recoveries of 85-88% for gold and 70-75% for silver. Sulphide test results are expected in the coming weeks, which should help determine if a CIL producing dore or flotation producing concentrate is more likely. If flotation is pursued, we think Arsenic (~900-1000ppm) management will be important but note there is zonation with lower levels at Cerro Verde and higher at Iguana. Based on the average arsenic grades in the MRE (~900-1000ppm), we think a saleable concentrate is likely. Our understanding is the next resource update will provide a more detailed breakdown of key elements, to guide sample selection and better assess variability to determine an optimal blending strategy, if required, to produce a saleable concentrate.

Figure 27: (A) Cerro Verde cross-section incl. drill intercepts and conceptual pit and (B) Dynasty soil geochemistry



Source: Titan Minerals

### Economics: Conservative ~110kozpa at ~US\$1400/oz AISC starter project generates SCPe >20% IRR

We see several key points to resolve regarding how to model Dynasty in a DCF. These include flotation or CIL processing, whether arsenic is an issue for concentrate payability (if concentrate is the chosen product route) and a significant number of engineering decisions need to be made based on our trip to site. These include TSF location, water permits (there were adequate water sources nearby, but availability/licensing needs to be confirmed), and relocation costs. With that said, we have modelled Dynasty on a preliminary basis.

Table 9. Table showing operating assumptions and economic outputs

	LOM	-4	-3	-2	-1	1	2	3	4	5	6	7	8	9	10	11	12	13
Gold price (US\$/oz)	2,300					2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300
Silver price (US\$/oz)	30.00					30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Tonnes mined (kt)	28,882					1,250	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Tonnes processed (kt)	28,882					1,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Head Grade (g/t Au)	1.40					1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40
Head Grade (g/t Ag)	12.00					12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Recovery - Au (%)	88.0%					88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%
Recovery - Ag (%)	11.2%					70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%
Au production (koz Au)	1,144					40	99	99	99	99	99	99	99	99	99	99	99	99
Ag production (koz Ag)	7,800					270	675	675	675	675	675	675	675	675	675	675	675	675
AuEq production (koz)	1,246					43	108	108	108	108	108	108	108	108	108	108	108	108
Mining cost (US\$/t mined)	3.25					3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
Processing cost (US\$/t ore)	15.00					15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
G&A (US\$/t ore)	3.00					3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Cash cost US\$/oz	1,246					1,453	1,246	1,246	1,246	1,246	1,246	1,246	1,246	1,246	1,246	1,246	1,246	1,246
AISC (US\$/oz)	1,396					1,617	1,396	1,396	1,396	1,396	1,396	1,396	1,396	1,396	1,396	1,396	1,396	1,396
Exploration / Closure (US\$m)	-70					-70	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10
Initial Capex (US\$m)	-250					-250	-250	-250	-250	-250	-250	-250	-250	-250	-250	-250	-250	-250
Sustaining capex (US\$m)	-72					-72	-72	-72	-72	-72	-72	-72	-72	-72	-72	-72	-72	-72
Revenue (US\$m)	2,850					99	247	247	247	247	247	247	247	247	247	247	247	247
Cash cost (US\$m)	-1,666					-67	-144	-144	-144	-144	-144	-144	-144	-144	-144	-144	-144	-144
Tax (US\$m)	-198					-5	-17	-17	-17	-17	-17	-17	-17	-17	-17	-17	-17	-17
Capex (US\$m)	-392					-66	-6	-6	-6	-6	-6	-6	-6	-6	-6	-6	-6	-6
FCF (US\$m)	594					594	-10	-10	-73	-125	-38	79	79	79	79	79	79	79
NPV5% (US\$m)	337					337	364	459	613	684	635	583	530	473	414	351	286	217
IRR (%)	22.1%					22.1%	23.5%	36.6%	--	--	--	--	--	--	--	--	--	--

Source: SCPe

**Base case:** Focusing on the low strip top 100m of the resource, we model a conservative 1.3Moz at 1.4g/t Au and 12g/t Ag at 10x strip ratio. At 2.5Mtpa x 88% Au and 70% Ag recovery, this generates an 11.5-year mine life at 108kozpa AuEq. We model conservative unit costs of US\$3.25/t mined, US\$15/t processed and US\$3/t G&A and a 4% royalty rate, which generates US\$1,246/oz LOM cash costs. We assume US\$30m pre-production study/permitting costs, US\$250m initial capex and US\$3/t sustaining capex which generates US\$1,396/oz AISC. At US\$2,300/oz this generates a US\$311m NPV<sub>5%</sub> and a 21% post-tax IRR at present (includes SCPe US\$30m pre-build evaluation capital and US\$30m closure capital) which lifts to US\$364m NPV<sub>5%</sub> and 23% post tax IRR at build start (SCPe 2028, this doesn't include the US\$30m of evaluation capital). At spot US\$2,900/oz Au and US\$33/oz Ag post-tax NPV<sub>5%</sub> lifts to US\$590m and IRR lifts to 32% at present.

### Comps – Few open pitable >1g/t assets in Latin America, we think Dynasty comps well

Below we highlight Latam gold development assets. We note very few >1g/t open pitable assets available. Valuations vary significantly from ~US\$15/oz MRE for Tristar (conglomerate style deposit) and ~US\$161/oz for G2 which is a highly sought after asset in arguably the best new district in the Americas. We use significantly more conservative estimates for opex and capital intensity, and we believe our conceptual modelled scenario focused on near surface ounces is attractive in the context of what's available in Latin America.

Table 10. Development stage Latam gold assets

	Cabral	Meridian	TriStar	Rio2	Belo Sun	Hochschild	Aura	G2 Goldfields	Lavras	Prime	Titan
Single / Multi Asset	Single	Single	Single	Single	Single	Multiple	Multiple	Single	Single	Single	Single
Asset	Cuiú Cuiú	Cabacal	Castelo de Sonhos	Fenix	Volta Grande	Monte Do Carmo	Boroborema	Oko Main	Lavras Do Sul	Los Reyes	Dynasty
Jurisdiction	Brazil	Brazil	Brazil	Chile	Brazil	Brazil	Brazil	Guyana	Brazil	Mexico	Ecuador
Stage	Development	Development	Development	Development	Development	Development	Development	Resource	Resource	Resource	Resource
Ownership (%)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Mine type	OP	OP	OP	OP	OP	UG/OP	OP	UG/OP	OP	UG/OP	UG/OP
<b>Reserves &amp; Resources (Attributable)</b>											
Total Resources (Mt)	18.0	51.7	79.1	480.0	196.4	19.4	74.6	33.9	38.1	66.3	43.5
Grade (g/t AuEq)	0.42	1.05	0.98	0.37	0.97	1.73	1.03	2.85	0.80	1.42	2.41
Ounces (Moz AuEq)	0.2	1.7	2.5	5.7	6.1	1.1	2.5	3.1	1.0	3.0	3.4
Total Reserves (Mt)	3.2	11.7	38.7	114.7	116.0	16.8	22.5	--	--	--	--
Grade (g/t AuEq)	0.81	1.19	1.13	0.48	1.02	1.66	1.12	--	--	--	--
Ounces (Moz AuEq)	0.1	1.6	1.4	1.8	3.8	0.9	0.8	--	--	--	--
<b>Economic Study</b>											
Study	2024 PFS	2025 PFS	2021 PFS	2023 FS	2015 FS	2023 FS	2023 FS	--	--	--	--
Mine Life (yrs)	5yrs	11yrs	11yrs	17yrs	18yrs	9yrs	11yrs	--	--	--	--
Nameplate Capacity (Mtpa)	0.7	4.5	3.6	7.3	7.0	1.9	2.0	--	--	--	--
Processed (Mt)	3.2	41.7	38.7	114.7	116.0	16.8	22.5	--	--	--	--
Production (kozpa AuEq)	15	141	121	78	205	95	66	--	--	--	--
OP Mining Costs (US\$/t mined)	4.15	2.56	1.66	3.07	1.90	1.98	2.82	--	--	--	--
Processing Costs (US\$/t milled)	14.61	9.52	8.99	5.53	7.55	9.11	14.82	--	--	--	--
G&A (US\$/t milled)	0.63	2.05	1.63	2.16	0.84	2.21	1.39	--	--	--	--
AISC (US\$/oz AuEq)	1,228	742	900	1,237	779	687	867	--	--	--	--
Initial Capex (US\$m)	37	248	261	117	298	181	190	--	--	--	--
Sustaining Capex (US\$m)	5	101	31	88	125	81	26	--	--	--	--
NPV5% (US\$m)	25	984	321	210	665	390	183	--	--	--	--
IRR (%)	47%	61%	28%	29%	26%	34%	21%	--	--	--	--
Gold Price Assumption (US\$/oz)	2,250	2,119	1,550	1,750	1,200	1,750	1,712	--	--	--	--
<b>Valuation<sup>a</sup></b>											
EV (US\$m)	36	118	38	212	48	1,776	1,363	501	84	138	51
Market Cap (US\$m)	40	131	39	227	58	1,485	1,212	534	78	148	62
Capex Intensity	1.48x	0.25x	0.81x	0.55x	0.45x	0.47x	1.04x	--	--	--	--
P/MPV	1.60x	0.13x	0.12x	1.08x	0.9x	nmf	nmf	--	--	--	--
EV/in-situ (US\$/oz AuEq)	\$149	\$68	\$15	\$37	\$8	nmf	nmf	\$161	\$86	\$46	\$15
EV/reserves (US\$/oz AuEq)	\$434	\$74	\$27	\$119	\$13	nmf	nmf	--	--	--	--

Source: Company Public Filings, Technical Reports, SCPe estimates \*Factset estimates used for trading metrics

Moving to producers, Latam mid-tiers trade at US\$131/oz resources and US\$471/oz reserves with weighted average US\$1,446/oz AISC. Based on producer multiples we think there's good opportunity here for Titan to define a permitable and buildable 100-150kozpa asset, which is worth US\$600-900m in the hands of a mid-tier generating good buy and build returns for a potential acquiror.

Table 11. Latam gold producers

Company	Ticker	Market	Jurisdictions	Mcav	EV	Trading	Production		AISC		TAC	P/NAV	EBITDA Margin		EV/100kozpa		EV/oz AuEq	
				(US\$m)	(US\$m)	Volume	2024A	2025E	2024A	2025E	2025e		2024E	2025E	2024A	2025E	Reserve	Resource
						(US\$m/d)	(koz)	(koz)	(US\$/oz)	(US\$/oz)	US\$/oz	(x)	%	%			(US\$/oz)	(US\$/oz)
<b>Latin America</b>																		
Fresnillo	FRES	LN	Mexico	8,580	8,458	19.4	1,546	1,400	1,508	--	--	1.3x	47%	46%	547	604	749	132
Lundin	LUG	CN	Ecuador	7,184	6,716	11.9	502	500	875	965	2,155	1.7x	67%	67%	1,338	1,343	1,190	697
Equinox	EQX	CN	QC, Gre, Turk, Rom	3,077	4,223	4.0	622	703	1,612	1,685	1,904	0.8x	46%	54%	679	601	219	90
G Mining	GMIN	CN	Brazil, Guyana	2,640	2,330	1.4	64	188	--	1,060	2,207	0.9x	51%	69%	--	1,243	1,147	218
Orla	OLA	CN	Mexico, Nevada, Panama	2,625	2,494	3.3	137	115	736	925	1,457	1.2x	57%	55%	1,824	2,169	532	149
Torex	TXG	CN	Mexico	2,033	2,035	4.5	453	425	1,156	1,500	1,901	0.8x	52%	57%	450	479	401	225
Calibre	CXB	CN	Nicaragua, NV, NFDL	1,812	1,888	4.3	242	265	1,583	1,550	2,001	0.7x	49%	55%	779	740	451	145
Hochschild	HOC	LN	Peru, Brazil, Argentina	1,485	1,776	5.5	356	364	1,535	1,637	2,627	2.5x	49%	51%	499	488	990	91
Aura	ORA	CN	Brazil, Mexico, Honduras	1,222	1,345	0.2	267	283	1,320	1,433	1,644	0.8x	49%	49%	503	475	211	54
Aris	ARIS	CN	Colombia	748	1,196	1.2	211	253	1,173	1,525	1,695	0.3x	33%	42%	567	474	170	40
Mineros	MSA	CN	Colombia, Nicaragua	396	319	0.0	213	212	1,551	1,700	1,869	0.5x	43%	41%	150	151	169	103
Jaguar	JAG	CN	Brazil	150	113	0.1	65	74	1,618	1,650	1,890	0.5x	--	--	174	152	240	34
<b>Average / Sum</b>				<b>31,951</b>	<b>32,894</b>	<b>55.7</b>	<b>4,677</b>	<b>4,771</b>	<b>1,379</b>	<b>1,446</b>	<b>1,877</b>	<b>1.2x</b>	<b>--</b>	<b>52%</b>	<b>703</b>	<b>689</b>	<b>471</b>	<b>131</b>

Source: Factset trading metrics, company public filings, SCPe estimates

## Recommendation: Initiate coverage with BUY rating and A\$1.40/sh PT

The key steps from here are to complete infill drilling, metallurgical testing and preliminary engineering for the PEA; pleasingly these are all planned for this year. Our conceptual modelled scenario gives us confidence that even in a conservative scenario, there is a quality outcome that could appeal to a mid-tier. For now, we base our valuation on a \$/oz multiple of US\$50/oz, roughly a 60% discount to where the mid-tiers trade and ~0.5x the NPV of our conceptual scenario. We add US\$50m for the copper assets and US\$12m for cash on balance sheet which generates an SCPe NAV of US\$230m / A\$365m and initiate with a buy rating and A\$1.40/sh price target.

Table 12. SCPe valuation and key metrics for Titan Minerals

Ticker: TTM AU		Price/mkt cap: A\$0.38/sh, A\$99m		Group P/NAV today: 0.27x		Asset: Dynasty	
Author: J Chan		Rec / 1xNAV PT: BUY, A\$1.4/sh				Country: Ecuador	
Share data		Basic	FD	Commodity price			
Shares (m)		260.1	261.3	Ag (US\$/oz)	CY24E	CY25E	CY26E
SOTP project valuation*				Au (US\$/oz)	2387	2548	2368
		US\$m	A\$m	O/ship	NAVx	A\$/sh	Recov.
Dynasty NAV @ US\$50/oz AuEq		168	267	100%	1.0x	1.02	
SCPe US\$50m nominal for copper assets		50	79	-	1.0x	0.30	
4Q24 cash		12	19	-	1.0x	0.07	
Cash from options+warrants		-	-	-	1.0x	-	
SCPe Group 1xNAV		230	365	PT: 1.40		Total M&I	
*Ex G&A and fin. costs				Market P/NAV: 0.27x		43.5Mt	
				*AuEq SCPe MRE Estimates		2.4g/t	
						3.4Moz	
						39%	
						93%	



### Catalysts

- 1Q25: 10,000m of resource definition drilling at Cerro Verde and Iguana
- 2Q25: 5,000m of exploration drilling at Iguana, Trapichillo, and Papayal
- 2H25: PEA on Dynasty
- 2H28: SCPe Production

### Risks

- Geology / resource model: The key risks to manage here are the vein widths and orientations vary and drilling to date has focused on following the veins rather than establishing a regularly spaced grid. We think drill spacing will be key.
- Mining: From visiting site, mineralization was visually distinct with good local controls (although mineralization is not structurally controlled) so we think mining dilution should be manageable.
- Processing / Metallurgy: Sulphide test work is key here to determine whether a CIL/CIP producing dore or a flotation circuit production concentrate is optimal. If concentrate is the preferred route, then a secondary consideration is arsenic levels, modelling arsenic if necessary and managing blending to optimize concentrate payability.
- Site / Infrastructure: The project benefits from good road access and nearby power. Key issues will be identifying a location for the TMF and securing water permits for processing.
- Permitting: Core Gold was able to permit small scale mining operations, and we believe this is an area amenable to mining. Titan has done well to improve local relations since taking over the operation and has added more access agreements for exploration. We expect a 24-36 month mine permitting processing, so the key is advancing studies and engineering to enable workstreams to move to baseline studies and permit submission.
- Funding / dilution risk: Titan has A\$19m on balance sheet currently. In our view US\$20-30m of exploration and evaluation costs to take Dynasty to FID is a fair estimate.

## Corporate and Financial Summary

**Capital structure:** As of 10 February 2025, Titan Minerals had 260.09m shares outstanding, 8.61m options outstanding at a weighted average exercise price of A\$0.65/sh, and 1.22m performance rights. We use a basic share count of 290.09m and fully diluted share count of 261.31m including ITM options and warrants. Cash was A\$19m as of 30 December 2024 while Titan had A\$2.2m of loans outstanding as at 30 June 2024.

**Corporate structure:** Titan Minerals Ltd, incorporated in Australia with its registered office in Subiaco, WA, holds 100% ownership of the Dynasty Gold and Copper Duke projects through multiple mineral concessions in Ecuador. The company also controls the Linderos Copper Project, though it has entered a joint venture agreement with Hanrine, a subsidiary of Hancock Prospecting, allowing Hanrine to earn up to an 80% interest by investing up to US\$120m.

**Funding assumptions:** Titan had A\$19m at the end of December 2024. As we base our valuation on a US\$50/oz EV/insitu for now, we don't assume further dilution in our NAV calculations.

**Board:** The board consists of four members, including **Peter Cook** (Non-Executive Chairman, geologist with over 35 years of experience, former Executive Chairman of Westgold Resources Limited), **Matthew Carr** (Executive Director, entrepreneur and founder of Urban Capital Group, a private equity firm focused on property-backed investments, also serves as Non-Executive Chairman of Andina), **Barry Bourne** (Non-Executive Director, geologist and Principal Consultant at Terra Resources, former principal geophysicist at Homestake Gold, >12 years at Barrick Gold), and **Zane Lewis** (Company Secretary, Fellow of Chartered Secretaries Australia with financial and corporate experience).

**Table 13. Management and Board equity holdings**

Name	Role	Equity Ownership	Background
<b>Board of Directors</b>			
Carr Matthew	Exec Dir	1.5%	non-executive chairman of Andina, founder of Urban Capital group, a property backed PE firm
Peter Cook	Non Exec Chair	1.0%	35y geologist, founded many mining and resource dev comps; awarded CEO of year and others
Bourne Barry	Non Exec Dir	0.2%	Principal consultant at Terra Resources, 12y at Barrick Gold, w/ prior exp at Homestake gold
<b>Insiders (&gt;10% holders)</b>			
Tribeca Investment Partners Pty Ltd		13.2%	Asia Pacific based investment and advisory firm

Source: Bloomberg

## Unico Silver (USL AU)

### Initiation: Targeting 300Moz AgEq in prime Argentina silver district

RECOMMENDATION: **BUY**

PRICE TARGET: **A\$0.80/sh**

RISK RATING: **SPEC**

#### SHARE DATA

Shares (basic, FD)	438 / 449
52-week high/low (A\$/sh)	0.09 / 0.36
Market cap (A\$m)	83
Net cash (debt) (US\$m)	16.1
FD EV (US\$m)	47
Average daily value (US\$000, 3M)	0.13
1.0xNAV @ A\$30/oz (US\$m)	346
1.0xNAV FD (A\$/sh)	0.80

Todd Williams	Managing Director
Peter Mullens	Non-Executive Chair
Melanie Leydin	Non-Executive Director
José Bordogna	Non-Executive Director
Rajeev Chandra	Company Secretary
Emilio Bastias	Country Manager
Patricio Brivodoro	VP Exploration



Source: SCPe; Factset for trading metrics

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#### Silver consolidator in Santa Cruz, Argentina targeting 200Moz AgEq

Unico Silver is an ASX-listed silver explorer focused on resource growth in Argentina's pro-mining Santa Cruz province. Its consolidated silver portfolio includes the Cerro Leon and Joaquin districts with a combined 160Moz AgEq resource base at 151g/t AgEq. The company is fully funded with \$25.4M cash to execute an aggressive 50,000m drill program targeting 300Moz AgEq.

#### Consolidated 160Moz AgEq with acquisition of Joaquin

Unico Silver built its 160Moz AgEq position in Argentina's Santa Cruz province through acquisitions over two years. The resource base includes Cerro Leon (91.3Moz AgEq) and Joaquin (73.4Moz AgEq) silver districts with epithermal vein systems. Unico completed five transactions beginning with Pingüino (November 2022), followed by Conserrat (March 2024), Sierra Blanca (May 2024), and Joaquin/Cerro Puntudo (August 2024). These acquisitions cost ~US\$0.10/AgEq ounce and consolidated districts that were previously divided by tenement boundaries.

#### Near term 200Moz target with longer term 300Moz, 7Mozpa plus

Unico has completed drilling on six targets on the Cerro Leon properties with prior drilling and is now moving to drill targets at Joaquin/Cerro Puntudo, including extensions of La Marocha and La Negra which are >30Moz veins where additional strike length can add ounces quickly. The total program is 50,000m targeting an MRE update in 3Q25. We think a reasonable interim update is 200Moz plus.

#### Production potential for capital efficient SCPe 7Mozpa

Ultimately the goal here is to define the best ~80Moz reserve, likely anchored by Joaquin plus high grade Cerro Leon oxides feeding a ~4,000tpd CIL. Conceptually we model a 10-year OP operation producing 6.7Mozpa at US\$14.0/oz AISC for US\$250m capex. This generates a US\$313m NPV5% at SCPe LT US\$2,300/oz Au and US\$30/oz Ag. Moreover, we see potential to reduce capex by purchasing an existing plant, such as PAAS's idled Manatíal Espejo (2ktpd). Upside comes from the Cerro Leon polymetallic sulphides at depth if Unico can reach critical mass for a flotation plant.

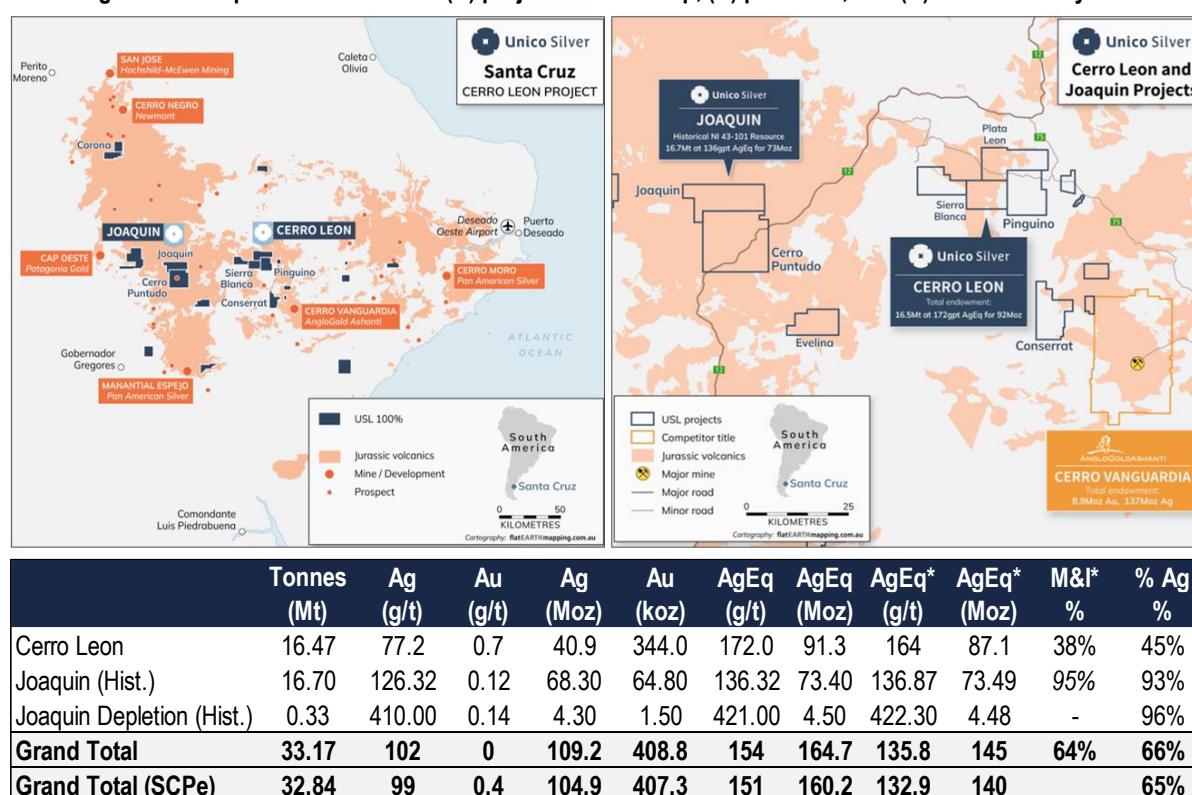
#### Initiate with BUY rating and A\$0.80/sh price target

As we expect 1-2 more years of drilling for resource growth and then pivoting to studies once the endowment and best ounces are better identified, we think it is best to value Unico off an EV/insitu multiple for now. We use a multiple of US\$1.25/oz, similar to where GoGold, Abra and Vizsla are trading. We think those assets will re-rate towards 1x NAV as they move into production while Unico's re-rate will be to join that cohort as a highly regarded development asset that trades at >US\$1/oz AgEq. We add US\$30m nominal for exploration value which generates an SCPe NAV of US\$211m or A\$346m or A\$0.80/sh.

## 160Moz AgEq in Santa Cruz Argentina in district that hosts AngloGold and Pan American assets

Unico has the third largest ounce base in the Deseado Massif silver-gold district in Santa Cruz, Argentina. Santa Cruz is a pro mining jurisdiction that was ranked above Chile, Colombia, Mexico and Peru in the Fraser Institutes 2022 Mining Investment Attractiveness score (Argentina's provinces were combined into a national score in 2023). The district hosts several Au-Ag mines including Cerro Vanguardia (AngloGold), Cerro Negro (Newmont), Cerro Moro (Pan American), and San Jose (Hochschild-McEwan). Silver-gold mineralization in the district are hosted in vein fields in Jurassic volcanic rocks (preferentially ignimbrites), eg Cerro Vanguardia which hosts >100 veins totalling >200kms in a 15x10km area. Unico has consolidated two major areas: Joaquin-Cerro Puntudo and Cerro Leon (Cerro Leon-Pinguino-Sierra Blanca deposits). Joaquin and Cerro Puntudo are continuous but were owned by Pan American and Yamana, respectively; the opportunity here is to treat the two as one project for the first time, targeting extensions across the property boundary. At Cerro Leon, Unico has consolidated the district since 2022 for low cost with opportunity to first convert low hanging fruit (previously drilled targets that need follow up/greater spacing for MRE) and then advance new exploration targets.

Figure 28. Joaquin and Cerro Leon (A) project location map, (B) plan view, and (C) R&R summary table



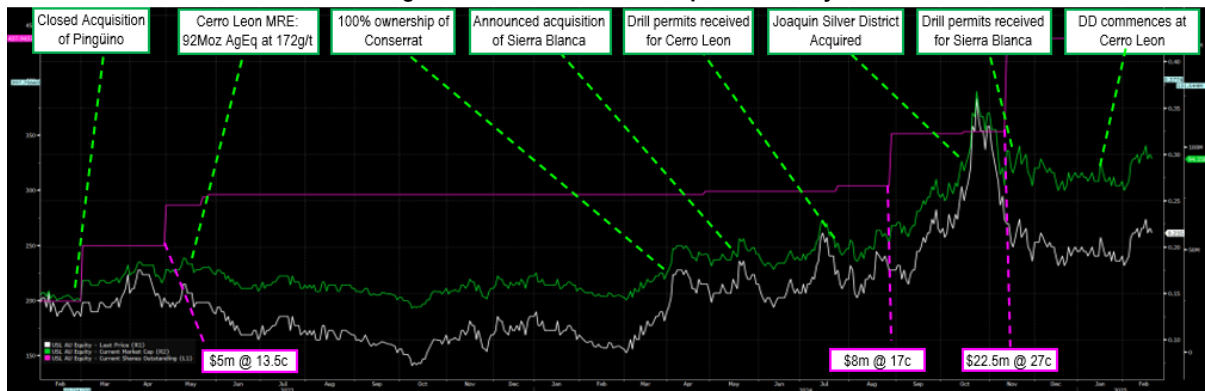
Source: Unico Silver, SCP. \*SCPe AgEq at spot (US\$33/oz Ag, US\$2,800/mt Zn, US\$1,900/oz Pb, and US\$2,900/oz Au)

## Overview / History: Discovery turned district consolidator now at critical mass

Unico (then called E2 Metals) was an Argentinian silver explorer. The company's fortunes changed when it hit 18m at 208g/t Ag and 47g/t Au at Conserrat in October 2020, which prompted an A\$13m raise and brought Eric Sprott onto the register. Further drilling showed a good discovery but not a standalone mine, so E2 advanced with a combination of drilling new targets to add ounces and consolidating the district. The first major acquisition was Pinguino (51Moz at 90g/t AgEq, 32Moz Ag and 219koz Au) in March 2023 from Austral Gold for US\$5m and a 19.99% equity stake. Unico moved from 80% to 100% ownership of Conserrat in March 2024. It did another deal with Austral and Capella for the Serra Blanca deposit announced in May 2024 and completed the transformative acquisition of adjacent assets Joaquin (73Moz AgEq) and Cerro Puntudo from Pan American for US\$12m (US\$2m upfront) and 1% NSR on Cerro Puntudo by October 2024. Since taking the helm in 2018, Todd Williams has led Unico Silver to build a 160Moz @ 151g/t AgEq resource through a combination of A\$65m in equity financing and five strategic acquisitions.



Figure 29. Price chart and corporate history

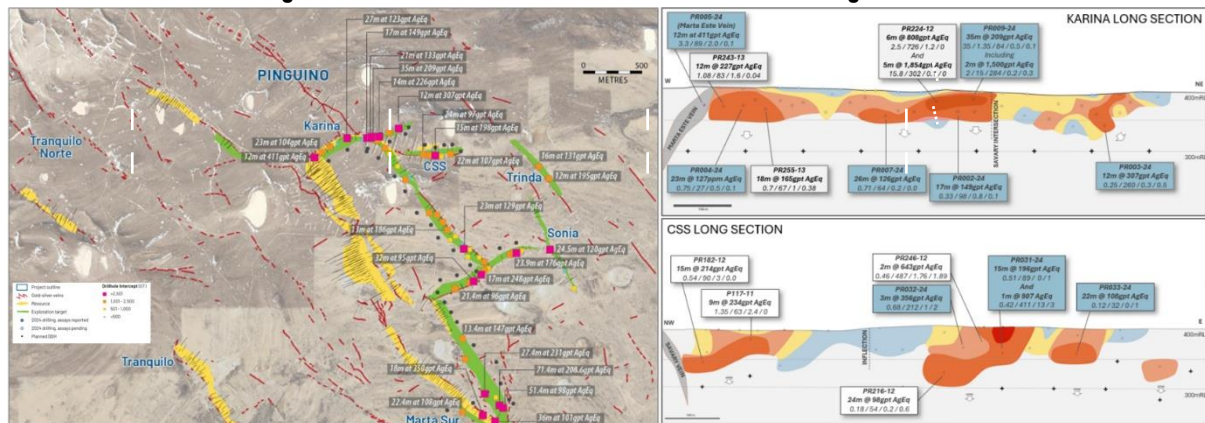


Source: Bloomberg, SCP, Unico Silver

### First Step: Convert low hanging fruit at Cerro Leon, extensions at Joaquin/CP targeting 200Moz

A 50,000m drilling program is underway targeting an updated MRE in 3Q25. The first phase (completed – 56 holes for 4,847m) focused on six targets in the Cerro Leon district outside the MRE with over 21,000m (213 holes) of historical drilling over 6km of strike by prior operators. This included Karina and CSS (see plan view and long sections below), Archen, Chala, Marta Sur and Ivonne Sur (Marta Sur and Ivonne Sur results incoming). The goal here is to achieve initial 100m spacing with a second ~3,000-4,000m follow up program to tighten spacing for MRE.

Figure 30. Cerro Leon Plan view and Karina and CSS long sections



Source: Unico Silver

The Phase 2 drilling program shifts to Joaquin targeting extensions from Joaquin onto the Cerro Puntudo license (previously owned by separate operators) targeting ~20Moz of quick wins. The benefit here is Joaquin has a high silver to gold ratio (~10x) and large bulk mineable veins. The goal for the next year is to grow the resource to ~250Moz and identify the best 80Moz of reserves, with a longer term goal of drilling out Cerro Leon at depth.

Figure 31. Plan view of Joaquin / Cerro Puntudo and (B) long section / plan view of La Negra extension



Source: Unico Silver

## Economics: Target 80Moz reserve and ~4,000tpd milling operation at Joaquin

The target here is to demonstrate potential for a minimum 7Moz AgEq pa operation from a targeted 4,000tpd milling facility (likely CIP or Merrill Crowe), most likely at Joaquin. We think there's potential to acquire Pan American's Manantial Espejo plant (mine shut down in 2022) which has 2,000tpd of processing capacity.

Table 14. SCPe conceptual mine plan

(year ended 30 June)	LOM	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Silver price (US\$/oz)	28	31	30	30	30	30	30	30	30	30	30	30	30	30	30
Gold price (US\$/oz)	2,387	2,548	2,368	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300
Joaquin tonnes mined (kt)	12,000	--	--	--	600	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	600
Ag grade mined (g/t)	120.00	--	--	--	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00
Au grade mined (g/t)	0.10	--	--	--	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Strip ratio (x)	8.0	--	--	--	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Cerro Leon tonnes mined (kt)	4,670	--	--	--	234	467	467	467	467	467	467	467	467	467	234
Ag grade mined (g/t)	58.38	--	--	--	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00
Au grade mined (g/t)	0.21	--	--	--	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55
Strip ratio (x)	8.0	--	--	--	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Ore milled (kt)	14,980	--	--	--	743	1,489	1,489	1,489	1,492	1,489	1,489	1,489	1,489	1,489	834
Ag grade milled (g/t)	129.35	--	--	--	129.43	129.41	129.41	129.41	129.39	129.41	129.41	129.41	129.41	129.41	128.40
Au grade milled (g/t)	0.24	--	--	--	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.23
Recovery (% Ag)	88%	--	--	--	88%	88%	88%	88%	88%	88%	88%	88%	88%	88%	88%
Recovery (% Au)	90%	--	--	--	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Total Ag produced (koz Ag)	59,387	--	--	--	2,965	5,932	5,932	5,932	5,934	5,932	5,932	5,932	5,932	5,932	3,028
Total Au produced (koz Ag)	108.0	--	--	--	5.4	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8	5.5
<b>Total AgEq produced (koz)</b>	<b>67,664</b>	--	--	--	<b>3,379</b>	<b>6,760</b>	<b>6,760</b>	<b>6,760</b>	<b>6,762</b>	<b>6,760</b>	<b>6,760</b>	<b>6,760</b>	<b>6,760</b>	<b>6,760</b>	<b>3,446</b>
Unit costs (US\$/t ore)	-50.9	--	--	--	-50.9	-50.9	-50.9	-50.9	-50.9	-50.9	-50.9	-50.9	-50.9	-50.9	-51.3
Cash costs (US\$/oz)	12.5	--	--	--	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.4
AISC (US\$/oz)	14.0	--	--	--	13.4	13.4	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1	13.9
Revenue (US\$m)	2,024	--	--	--	101	202	202	202	202	202	202	202	202	202	103
Cash costs (US\$m)	-848	--	--	--	-42	-85	-85	-85	-85	-85	-85	-85	-85	-85	-43
Royalties (US\$m)	-61	--	--	--	-3	-6	-6	-6	-6	-6	-6	-6	-6	-6	-3
Taxes (US\$m)	-275	--	--	--	-14	-27	-27	-27	-27	-27	-27	-27	-27	-27	-14
Minorities (US\$m)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Initial capital (US\$m)	-250	--	--	-113	-138	--	--	--	--	--	--	--	--	--	--
Sustaining/Exploration capital (US\$m)	-79	-4	-8	-2	--	--	-4	-4	-4	-4	-4	-4	-4	-34	-2
EBITDA (US\$m)	1,115	--	--	--	56	111	111	111	111	111	111	111	111	111	57
<b>FCF (US\$m)</b>	<b>510</b>	<b>-4</b>	<b>-8</b>	<b>-115</b>	<b>-96</b>	<b>84</b>	<b>80</b>	<b>80</b>	<b>80</b>	<b>80</b>	<b>80</b>	<b>80</b>	<b>80</b>	<b>50</b>	<b>41</b>

Source: SCP estimates

**Base case:** Although the situation is evolving given the drilling, we expect the bulk of ounces to come from Joaquin supplanted by high grade oxides from Cerro Leon. We model a ~80Moz AgEq inventory, 4,000tpd CIP operation and 10-year mine life averaging ~6.8Mozpa AgEq (68Moz AgEq LOM production) at US\$12.5/oz cash cost and US\$14.0/oz AISC. We model US\$14m exploration and evaluation costs and US\$250m initial capex. This generates SCPe US\$313m post tax NPV5% at US\$30/oz Ag and US\$2,300/oz Au, and a 27% post-tax IRR at SCPe US\$30/oz Ag and US\$2,300/oz Au long-term prices.

## Unico comps well as a high-grade sizeable silver developer in an attractive jurisdiction

In the comp table below adjacent we highlight Latin American silver development assets. There is a large gap between peers trading at US\$1/oz or higher and the next group at ~US\$0.20-0.50/sh. We think Unico is significantly undervalued with ounces in a pro mining jurisdiction at Provincial and Federal levels, with similar grades to Abra yet trading at significantly lower multiples. We think getting to >200Moz and then the ultimate 300Moz target will be major rerating catalysts. Big picture, Unico's assets are in a district where majors (AngloGold, Newmont, Pan American) are operating and at similar grades.

Table 15. Development stage silver assets

Single / Multi Asset	Casap	Alma	Silver Tiger	Goldfield	Wishi	Silver Mtn	Andreas Silver	Capitan	GR Silver	Unico	Cerro de Pasco	Kootenay	Apollo
Asset	Multiple	Single	Single	Multi	Single	Single	Single	Single	Single	Single	Single	Multiple	Multiple
Jurisdiction	Las Chispas	Diablos	El Tigre	LRS	Panuco	Castovireyna	Cerro Bayo	Cruz de Plata	Pomocinas	Cerro Leon	Quilacocha	Promontorio	Cinco de Mayo
Stage	Development	Development	Development	Development	Development	Development	Resource	Resource	Resource	Resource	Resource	Resource	Resource
Ownership (%)	100%	100%	100%	100%	100%	100%	100%	100%	100%	97%	100%	100%	100%
Mine type	UG	OP	OP	UG/OP	UG	UG	UG/OP	OP	UG	OP	Tailings	OP	OP
Reserves & Resources (Attributable)													
Total Reserves (Mt)	359.8	56.5	82.5	13.2	23.5	4.6	8.2	28.3	24.0	32.8	74.7	63.2	70.8
Grade (g/t AgEq)	57.1	143.3	82.0	278.7	470.2	466.4	330.0	46.6	155.8	132.9	199.1	98.1	141.0
Ounces (Moz AgEq)	660.2	260.5	217.5	118.3	354.7	69.2	87.0	42.4	120.2	140.3	478.0	199.4	320.6
Total Reserves (Mt)	575.2	42.3	40.3	10.2	--	--	--	--	--	--	--	--	--
Grade (g/t AgEq)	29.5	153.2	45.9	251.9	--	--	--	--	--	--	--	--	--
Ounces (Moz AgEq)	546.0	208.4	59.5	82.9	--	--	--	--	--	--	--	--	--
Economic Study													
Study	2023 OPS	2024 PFS	2024 PFS	2025 PFS	2024 PEA	2024 PEA	--	--	--	--	--	--	--
Mine Life (yrs)	8yrs	14yrs	9yrs	15yrs	11yrs	9yrs	--	--	--	--	--	--	--
Nameplate Capacity (Mtpa)	0.5	3.2	4.6	0.7	1.4	0.4	--	--	--	--	--	--	--
Processed (Mt)	3.0	42.3	40.3	10.2	14.6	2.4	--	--	--	--	--	--	--
Production (Mozpa AgEq)	10	13	4	5	15	2	--	--	--	--	--	--	--
CP Mining Costs (US\$/milled)	108.00	14.50	2.24	2.64	35.22	63.42	--	--	--	--	--	--	--
UG Mining Costs (US\$/milled)	47.21	22.71	5.09	33.46	21.60	11.30	--	--	--	--	--	--	--
G&A (US\$/milled)	21.39	3.91	1.27	6.88	7.24	13.10	--	--	--	--	--	--	--
AISC (US\$/oz AgEq)	12	13	16	13	9	17	--	--	--	--	--	--	--
Initial Capex (US\$m)	--	544	87	227	224	25	--	--	--	--	--	--	--
Sustaining Capex (US\$m)	220	77	6	100	230	32	--	--	--	--	--	--	--
NPV5% (US\$m)	550	74.7	222	335	1,137	58	--	--	--	--	--	--	--
IRR (%)	--	28%	40%	28%	86%	51%	--	--	--	--	--	--	--
Silver Price Assumption (US\$/oz)	23	26	26	27	26	24	--	--	--	--	--	--	--
Valuation*													
EV (US\$m)	4,208	356	85	334	509	6	93	28	49	47	93	39	27
Market Cap (US\$m)	3,710	376	91	423	618	14	108	27	48	51	92	46	49
Capex Intensity	6.75x	0.50x	0.41x	0.64x	0.20x	0.42x	--	--	--	--	--	--	--
PM/PV	\$6.37	\$1.37	\$0.39	nml	\$1.44	\$0.08	\$1.06	\$0.66	\$0.40	\$0.33	\$0.20	\$0.19	\$0.08
EV/in-situ (US\$/oz AgEq)	\$7.71	\$1.71	\$1.43	nml	--	--	--	--	--	--	--	--	--

Source: Company Public Filings, Technical Reports, SCP estimates \*Factset estimates used for trading metrics

**Recommendation: initiate coverage with BUY rating and A\$0.80 /sh PT**

Our conceptual base case shows a pathway to US\$313m NPV5% at ~6.8Mozpa with potential for further growth from processing Cerro Leon sulphides. As we expect 1-2 more years of drilling for resource growth and then pivoting to studies once the endowment and best ounces are better identified, we think it is more conservative to value Unico off an EV/insitu multiple for now. We use a multiple of US\$1.25/oz, similar to where GoGold, Abra and Vizsla are trading. We think those assets will re-rate towards 1x NAV as they move into production while Unico's re-rate will be to join that cohort as a highly regarded development asset that trades at >US\$1/oz AgEq. We add US\$30m nominal for exploration value which generates an SCPe NAV of US\$211m or A\$346m or A\$0.80/sh. **We initiate with a BUY rating and A\$0.80/sh price target with a speculative risk rating.**

**Table 16. SCPe valuation and key metrics for Unico Silver**

Ticker: USL AU		Price/mkt cap: C\$0.19/sh, A\$83m		Group P/NAV today: 0.24x		Asset: Cerro Leon / Joaquin	
Author: J Chan		Rec / 1xNAV PT: BUY, A\$0.80/sh				Country: Argentina	
Share data		Basic	FD	Commodity price			
Shares (m)		437.9	448.6	Ag (US\$/oz)		CY24E	CY25E
SOTP project valuation*				Au (US\$/oz)		CY26E	CY27E
		US\$m	A\$m	O/ship	NAVx	A\$/sh	Recov.
EV/insitu NAV @ US\$1.25/oz AgEq		175	288	100%	1.0x	0.64	
SCPe nominal +US\$30m exploration upside		30	49	-	1.0x	0.11	
4Q24 cash + options		16.1	26.4	-	1.0x	0.06	
Deferred consideration		(10.7)	(17.5)	-	1.0x	(0.04)	
SCPe Group 1xNAV		211	346	PT: 0.80			
*Ex G&A and fin. costs				Market P/NAV: 0.24x			
Source: SCP estimates							

**Catalysts**

- 1Q25: Drilling at Cerro Leon focused on converting previously drilled targets
- 2Q25: Drilling at Joaquin / Cerro Puntudo
- 3Q25: MRE update

**Risks**

- Geology / resource model: We think this risk is moderate. Given that much of the resource base was acquired from several parties, a key element of derisking the resources will be to do sufficient confirmatory drilling and twinning of holes drilled by previous operators. The veins themselves vary in width and grade but are generally near surface and we think infill drilling should therefore be manageable budget wise.
- Mining: Other operations in the district tend to be from small pits (note Cerro Vanguardia has more than 100 veins) producing ~150kozpa Au and 4Mozpa Ag. We'd expect mining to be primarily open pit therefore fairly low risk with grade control / dilution control being key to operations.
- Processing / Metallurgy: More met testwork is needed to determine oxide and sulphide recoveries but deleterious elements and/or refractory issues have not been common at other operations in the region.
- Site / Infrastructure: Unico has a 150 person camp and land ownership and access agreements over all of its resources. Water rights/management are an important consideration, and we'd expect the company to provide its own power arrangement.
- Permitting: Santa Cruz is a pro mining province with several large mines including Cerro Negro (Newmont), Cerro Vanguardia (AngloGold), Cerro Moro (Pan American) and San Jose (Hochschild/McEwan). Moreover, at the federal level, Argentina implemented an investment incentive plan for large projects (RIGI) in 2023, which includes tax stability, reduced export duties, more flexible access to foreign currency, and customs advantages for capital goods imports.
- Funding / dilution risk: Unico is well funded with A\$25m cash on the balance sheet. We estimate ~US\$20m of funding to take the project to FID, though this may vary given Unico's goal of reaching 300Moz AgEq.

## Corporate and Financial Summary

**Capital structure:** As of 24 February 2025, Unico Silver had 437.9m shares outstanding, 38.8m options outstanding at a weighted average exercise price of A\$0.23/sh, and 2.8m performance rights. We use a basic share count of 437.9m and fully diluted share count of 448.6m including ITM options and warrants. As at 31 December 2024, Unico had A\$1.4m of deferred payments on its balance sheet relating to deferred cash consideration and there are further payments of US\$2m on completion of an economic study on Joaquin and US\$8m on commercial production at Joaquin.

**Corporate structure:** Unico Silver is incorporated in Victoria, Australia, with its head office in South Melbourne. Listed on the Australian Securities Exchange (ASX: USL), the company owns several prospects in Argentina, including Sierra Blanca, Plata León, Pingüino, Conserrat, and Evelina, through various subsidiaries. The Joaquin and Cerro Puntudo projects, acquired from Pan American Silver in October 2024, are held under the Minera Joaquin SA (MJSA) subsidiary.

**Funding assumptions:** Unico had A\$25m at the end of December 2024. As we base our valuation on a US\$/oz EV/insitu for now, we don't assume further dilution in our NAV calculations.

**Board:** The board of Unico Silver comprises four members, led by Managing Director Todd Williams, an exploration geologist and founder of Circum Pacific Pty Ltd, who led the development of greenfield projects in Colombia and Argentina, including Unico Silver's Santa Cruz and Rio Negro assets. Non-Executive Chairperson Peter Mullens, a geologist with over 30 years of experience, co-founder of Aquiline Resources, who was instrumental in the discovery of the Navidad silver deposit, later acquired by Pan American Silver for C\$645m. Melanie Leydin, a Non-Executive Director, is a Chartered Accountant and Registered Company Auditor with over 25 years of experience, specializing in ASX-listed entities through her firm, Leydin Freyer. José Bordogna, a Non-Executive Director and CFO of Austral Gold, brings over 15 years of expertise in finance, investment banking, and accounting, holding degrees from Pontificia Universidad Católica Argentina, the University of Sydney, and IE Business School.

**Table 17. Management and Board members**

Name	Role	Equity Ownership	Background
<b>Board of Directors</b>			
Williams Todd	Managing Director	1.4%	specializes in Acquisition, exploration, and dev of Ag, Au and Cu projects in South America
Mullens Peter	Non-Exec Chair	0.3%	30y exp in minerals, responsible for MIM entry into Cerro Negro and cofounded Ironbark
Leydin Melanie Jaye	Non-Exec Director	0.04%	25 years accounting experience, incl ASX and ASIC compliance, control, corp gov, shareholder rel.
<b>Significant Holders</b>			
Eric Sprott		3.9%	Renowned Canadian Businessman with record of taking winning bets in mining sector

Source: Bloomberg



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**BUY:** The stocks total returns are expected to be materially better than the overall market with higher return expectations needed for more risky securities markets

**NEUTRAL:** The stock's total returns are expected to be in line with the overall market

**SELL:** The stocks total returns are expected to be materially lower than the overall market

**TENDER:** The analyst recommends tendering shares to a formal tender offering

**UNDER REVIEW:** The stock will be placed under review when there is a significant material event with further information pending; and/or when the research analyst determines it is necessary to await adequate information that could potentially lead to a re-evaluation of the rating, target price or forecast; and/or when coverage of a particular security is transferred from one analyst to another to give the new analyst time to reconfirm the rating, target price or forecast.

**NOT RATED (N/R):** The stock is not currently rated

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SCP Resource Finance Equity Research Ratings:

Summary of Recommendations as of March 2025	
BUY:	47
HOLD:	0
SELL:	0
UNDER REVIEW:	1
TENDER:	1
NOT RATED:	0
TOTAL	49

<sup>1</sup> As at the end of the month immediately preceding the date of issuance of the research report or the end of the second most recent month if the issue date is less than 10 calendar days after the end of the most recent month

## Appendices

### Appendix 1: Country comparison in Latin America

Country	Mexico	Colombia	Suriname	Guyana	Brazil	Peru	Chile	Argentina	Ecuador
Location	North America	N. South America	NE South America	NE South America	W South America	W South America	W South America	S South America	W South America
Business Language (lingua franca)	Spanish 	Spanish 	Dutch 	English 	Portuguese 	Spanish 	Spanish 	Spanish 	Spanish 
World Bank Group Indicators									
Political stability & absence of violence/terrorism 2023*	-0.63	-0.70	0.41	-0.06	-0.41	-0.52	0.14	-0.13	-0.34
Political stability & absence of violence/terrorism 2000-2023									
Base Metals Royalties	7.5% (8.5)	4-6%	6.0%		1-2%	1-12%	1.0%	3%	3-8%
Precious Royalties	7.5+0.5% (9.5)	5-12%	6.5%	5-8%	1.5%	1-12%		3%	3-8%
Corporate Tax Rate	30.0%	25-40%	36.0%	40.0%	15+10%	30.0%	27.0%	25-35%	22-25%
Community Development Fund	5.0%	8-9.4%	25.0%		9.0%				
Withholding Tax	15-30%	15-33%		15-25%	10-25%	5-30%	35-45%	13-15%	10%
Latest Mining Code (latest amendment)	2023 (2024)	2001(2023)	1986 (2004)	1989	1967 (2017)	1992 (2015)	1989	1887 (1995)	2009
Length of Mining License	30	30	25	20	infinite	infinite	infinite	infinite	25
Fraser Institute Indicator									
Mining Score (2023)	36.51	36.9	N/A	N/A	68.5	44.01	59.76	65.63	40.68
Mining Score (2019 -2023)									
Ranking (2023) (out of 86)	74	71	N/A	N/A	29	59	38	47	64
*Aggregate and individual governance indicators for six dimensions of governance: Voice and Accountability; Political Stability and Absence of Violence/Terrorism; Government Effectiveness; Regulatory Quality; Rule of Law; Control of Corruption. Estimate gives the country's score on the aggregate indicator, in units of a standard normal distribution, i.e. ranging from approximately -2.5 to 2.5.									

Source: Country Legal documents, Fraser, World Bank

## Appendix 2: Silver assets comparison in Latin America

	Coeur	Abra	Silver Tiger	GoGold	Vizsla	Silver Mtn	Andean Silver	Capitan	GR Silver	Unico	Cerro de Pasco	Kootenay	Apollo
Single / Multi Asset	Multiple	Single	Single	Multi	Single	Single	Single	Single	Single	Single	Single	Multiple	Multiple
Asset	Las Chispas	Diablillos	El Tigre	LRS	Panuco	Castrovirreyna	Cerro Bayo	Cruz de Plata	Plomosas	Cerro Leon	Quilacocha	Promontorio	Cinco de Mayo
Jurisdiction	Mexico	Argentina	Mexico	Mexico	Mexico	Peru	Chile	Mexico	Mexico	Argentina	Peru	Mexico	Mexico
Stage	Development	Development	Development	Development	Development	Development	Resource	Resource	Resource	Resource	Resource	Resource	Resource
Ownership (%)	100%	100%	100%	100%	100%	100%	100%	100%	100%	97%	100%	100%	100%
Mine type	UG	OP	OP	UG/OP	UG	UG	UG/OP	OP	UG	OP	Tailings	OP	OP
<b>Reserves &amp; Resources (Attributable)</b>													
Total Resources (Mt)	359.8	56.5	82.5	13.2	23.5	4.6	8.2	28.3	24.0	32.8	74.7	63.2	70.8
Grade (g/t AgEq)	57.1	143.3	82.0	278.7	470.2	466.4	330.0	46.6	155.8	132.9	199.1	98.1	141.0
Ounces (Moz AgEq)	660.2	260.5	217.5	118.3	354.7	69.2	87.0	42.4	120.2	140.3	478.0	199.4	320.6
Total Reserves (Mt)	575.2	42.3	40.3	10.2	--	--	--	--	--	--	--	--	--
Grade (g/t AgEq)	29.5	153.2	45.9	251.9	--	--	--	--	--	--	--	--	--
Ounces (Moz AgEq)	546.0	208.4	59.5	82.9	--	--	--	--	--	--	--	--	--
<b>Economic Study</b>													
Study	2023 OPS	2024 PFS	2024 PFS	2025 PFS	2024 PEA	2024 PEA	--	--	--	--	--	--	--
Mine Life (yrs)	8yrs	14yrs	9yrs	15yrs	11yrs	9yrs	--	--	--	--	--	--	--
Nameplate Capacity (Mtpa)	0.5	3.2	4.6	0.7	1.4	0.4	--	--	--	--	--	--	--
Processed (Mt)	3.0	42.3	40.3	10.2	14.6	2.4	--	--	--	--	--	--	--
Production (Mozpa AgEq)	10	13	4	5	15	2	--	--	--	--	--	--	--
OP Mining Costs (US\$/t mined)	--	14.50	2.24	2.64	--	--	--	--	--	--	--	--	--
UG Mining Costs (US\$/t mined)	108.00	--	--	44.04	35.22	63.42	--	--	--	--	--	--	--
Processing Costs (US\$/t milled)	47.21	22.71	5.09	33.46	21.60	11.30	--	--	--	--	--	--	--
G&A (US\$/t milled)	21.39	3.91	1.27	6.88	7.24	13.10	--	--	--	--	--	--	--
AISC (US\$/oz AgEq)	12	13	16	13	9	17	--	--	--	--	--	--	--
Initial Capex (US\$mm)	--	544	87	227	224	25	--	--	--	--	--	--	--
Sustaining Capex (US\$mm)	220	77	6	100	230	32	--	--	--	--	--	--	--
NPV5% (US\$m)	550	747	222	355	1,137	59	--	--	--	--	--	--	--
IRR (%)	--	28%	40%	28%	86%	51%	--	--	--	--	--	--	--
Silver Price Assumption (US\$/oz)	23	26	26	27	26	24	--	--	--	--	--	--	--
<b>Valuation^</b>													
EV (US\$m)	4,208	356	85	334	509	6	93	28	49	47	93	39	27
Market Cap (US\$m)	3,710	376	91	423	618	14	108	27	48	51	92	46	49
Capex Intensity	--	0.73x	0.39x	0.64x	0.20x	0.42x	--	--	--	--	--	--	--
P/NPV	6.75x	0.50x	0.41x	nmf	0.54x	0.23x	--	--	--	--	--	--	--
EV/in-situ (US\$/oz AgEq)	\$6.37	\$1.37	\$0.39	nmf	\$1.44	\$0.08	\$1.06	\$0.66	\$0.40	\$0.33	\$0.20	\$0.19	\$0.08
EV/reserves (US\$/oz AgEq)	\$7.71	\$1.71	\$1.43	nmf	--	--	--	--	--	--	--	--	--

Source: Company Public Filings, Technical Reports, SCPe estimates ^Factset estimates used for trading metrics



### Appendix 3: Gold assets comparison in Latin America

	Cabral	Meridian	TriStar	Rio2	Belo Sun	Hocschild	Aura	G2 Goldfields	Lavras	Prime	Titan
Single / Multi Asset	Single	Single	Single	Single	Single	Multiple	Multiple	Single	Single	Single	Single
Asset	Cuiú Cuiú	Cabaçal	Castelo de Sonhos	Fenix	Volta Grande	Monte Do Carmo	Boroborema	Oko Main	Lavras Do Sul	Los Reyes	Dynasty
Jurisdiction	Brazil	Brazil	Brazil	Chile	Brazil	Brazil	Brazil	Guyana	Brazil	Mexico	Ecuador
Stage	Development	Development	Development	Development	Development	Development	Development	Resource	Resource	Resource	Resource
Ownership (%)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Mine type	OP	OP	OP	OP	OP	UG/OP	OP	UG/OP	OP	UG/OP	UG/OP
Reserves & Resources (Attributable)											
Total Resources (Mt)	18.0	51.7	79.1	480.0	196.4	19.4	74.6	33.9	38.1	66.3	43.5
Grade (g/t AuEq)	0.42	1.05	0.98	0.37	0.97	1.73	1.03	2.85	0.80	1.42	2.41
Ounces (Moz AuEq)	0.2	1.7	2.5	5.7	6.1	1.1	2.5	3.1	1.0	3.0	3.4
Total Reserves (Mt)	3.2	41.7	38.7	114.7	116.0	16.8	22.5	--	--	--	--
Grade (g/t AuEq)	0.81	1.19	1.13	0.48	1.02	1.66	1.12	--	--	--	--
Ounces (Moz AuEq)	0.1	1.6	1.4	1.8	3.8	0.9	0.8	--	--	--	--
Economic Study											
Study	2024 PFS	2025 PFS	2021 PFS	2023 FS	2015 FS	2023 FS	2023 FS	--	--	--	--
Mine Life (yrs)	5yrs	11yrs	11yrs	17yrs	18yrs	9yrs	11yrs	--	--	--	--
Nameplate Capacity (Mtpa)	0.7	4.5	3.6	7.3	7.0	1.9	2.0	--	--	--	--
Processed (Mt)	3.2	41.7	38.7	114.7	116.0	16.8	22.5	--	--	--	--
Production (kozpa AuEq)	15	141	121	78	205	95	66	--	--	--	--
OP Mining Costs (US\$/t mined)	4.15	2.56	1.66	3.07	1.90	1.98	2.82	--	--	--	--
Processing Costs (US\$/t milled)	14.61	9.52	8.99	5.53	7.55	9.11	14.82	--	--	--	--
G&A (US\$/t milled)	0.63	2.05	1.63	2.16	0.84	2.21	1.39	--	--	--	--
AISC (US\$/oz AuEq)	1,228	742	900	1,237	779	687	867	--	--	--	--
Initial Capex (US\$mm)	37	248	261	117	298	181	190	--	--	--	--
Sustaining Capex (US\$mm)	5	101	31	88	125	81	26	--	--	--	--
NPV5% (US\$m)	25	984	321	210	665	390	183	--	--	--	--
IRR (%)	47%	61%	28%	29%	26%	34%	21%	--	--	--	--
Gold Price Assumption (US\$/oz)	2,250	2,119	1,550	1,750	1,200	1,750	1,712	--	--	--	--
Valuation <sup>A</sup>											
EV (US\$m)	36	118	38	212	48	1,776	1,363	501	84	138	51
Market Cap (US\$m)	40	131	39	227	58	1,485	1,212	534	78	148	62
Capex Intensity	1.48x	0.25x	0.81x	0.55x	0.45x	0.47x	1.04x	--	--	--	--
P/NPV	1.60x	0.13x	0.12x	1.08x	0.09x	nmf	nmf	--	--	--	--
EV/in-situ (US\$/oz AuEq)	\$149	\$68	\$15	\$37	\$8	nmf	nmf	\$161	\$86	\$46	\$15
EV/reserves (US\$/oz AuEq)	\$434	\$74	\$27	\$119	\$13	nmf	nmf	--	--	--	--

Source: Company Public Filings, Technical Reports, SCPe estimates <sup>A</sup>Factset estimates used for trading metrics

## Appendix 4: Gold producer comparison in Latin America

Company	Ticker	Market	Jurisdictions	Mcap	EV	Trading Volume	Production		AISC		TAC	P/NAV	EBITDA Margin		EV/100kozpa		EV/oz AuEq		Life		FCF Yield		EV/EBITDA	
							2024A	2025E	2024A	2025E			2025E	2024E	2025E	2024A	2025E	Reserve	Resource	Reserves	Resources	2025E	2026E	2025E
				(US\$m)	(US\$m)	(US\$m/d)	(koz)	(koz)	(US\$/oz)	(US\$/oz)	US\$/oz	(x)	%	%	(US\$/oz)	(US\$/oz)	(years)	(years)	%	%	(x)	(x)		
Latin America																								
Fresnillo	FRES	LN	Mexico	8,580	8,458	19.4	1,546	1,400	1,508	--	--	1.3x	47%	46%	547	604	749	132	8.1	45.9	9%	8%	5.1x	5.4x
Lundin	LUG	CN	Ecuador	7,184	6,716	11.9	502	500	875	965	2,155	1.7x	67%	67%	1,338	1,343	1,190	697	11.3	19.3	8%	8%	7.5x	7.4x
Equinox	EQX	CN	QC, Gre, Turk, Rom	3,077	4,223	4.0	622	703	1,612	1,685	1,904	0.8x	46%	54%	679	601	219	90	27.5	66.7	15%	22%	3.8x	2.8x
G Mining	GMIN	CN	Brazil, Guyana	2,640	2,330	1.4	64	188	--	1,060	2,207	0.9x	51%	69%	--	1,243	1,147	218	--	--	-2%	-1%	31.0x	7.0x
Orla	OLA	CN	Mexico, Nevada, Panama	2,625	2,494	3.3	137	115	736	925	1,457	1.2x	57%	55%	1,824	2,169	532	149	40.8	145.3	5%	16%	13.1x	5.3x
Torex	TXG	CN	Mexico	2,033	2,035	4.5	453	425	1,156	1,500	1,901	0.8x	52%	57%	450	479	401	225	12.0	21.3	10%	19%	3.4x	2.8x
Calibre	CXB	CN	Nicaragua, NV, NFLD	1,812	1,888	4.3	242	255	1,583	1,550	2,001	0.7x	49%	55%	779	740	451	145	16.4	51.1	1%	20%	4.3x	2.8x
Hochschild	HOC	LN	Peru, Brazil, Argentina	1,485	1,776	5.5	356	364	1,535	1,637	2,627	2.5x	49%	51%	499	488	990	91	4.9	53.8	12%	12%	3.3x	3.0x
Aura	ORA	CN	Brazil, Mexico, Honduras	1,222	1,345	0.2	267	283	1,320	1,433	1,644	0.8x	49%	49%	503	475	211	54	22.5	88.4	9%	14%	3.8x	3.4x
Aris	ARIS	CN	Colombia	748	1,196	1.2	211	253	1,173	1,525	1,695	0.3x	33%	42%	567	474	170	40	27.9	117.4	-3%	38%	4.7x	2.3x
Mineros	MSA	CN	Colombia, Nicaragua	396	319	0.0	213	212	1,551	1,700	1,869	0.5x	43%	41%	150	151	169	103	8.9	14.6	22%	20%	1.4x	1.5x
Jaguar	JAG	CN	Brazil	150	113	0.1	65	74	1,618	1,650	1,890	0.5x	--	--	174	152	240	34	6.4	44.7	18%	31%	--	--
Average / Sum				31,951	32,894	55.7	4,677	4,771	1,379	1,446	1,877	1.2x	49%	52%	703	689	471	131	14.6	52.6	7%	12%	5.2x	4.2x

Source: Factset trading metrics, company public filings, SCPE estimates

## Appendix 5: Gold precedent transactions in Latin America

Transaction Details							Valuation										Metal Price
Acquirer	Target	Ann. Date	Target Type	Country	Stage	Transaction Value	P/		EBITDA	Prod.	EV/		M&I	M&I+	EV/insitu		Au
							NAV	CF			2P	M&I			2P	M&I+	
						(US\$m)	(x)		(x)	(US\$/oz Au)				%		(US\$/oz Au)	
Zijin Mining	Continental Gold	Dec-02-2019	Corporate	Colombia	Construction	\$1,241	0.8x	14.9x	5.8x	--	\$324	\$223	\$104	21.4%	6.9%	\$1,514	
AngloGold Ashanti	G2 Goldfields Inc. (11.7%)	Dec-19-2023	Corporate	Guyana	Resource Estimate	\$14	0.4x	n.a.	--	n.a.	n.a.	\$529	\$97	--	4.9%	\$1,981	
Hochschild	Amarillo Gold	Nov-30-2021	Corporate	Brazil	Feas	\$98	0.4x	n.a.	n.a.	--	\$108	\$85	\$85	6.0%	4.7%	\$1,799	
G Mining Ventures	Reunion Gold	Apr-22-2024	Corporate	Guyana	PEA	\$573	0.5x	nmf	--	n.a.	n.a.	\$134	\$98	--	4.5%	\$2,160	
Zijin Mining	Rosebel (95%) & Saramacca (66.5%)	Oct-18-2022	Asset	Suriname	Production	\$401	1.3x	5.5x	3.5x	\$2,523	\$122	\$72	\$65	7.1%	3.8%	\$1,725	
Managem Group	Bambouk Assets (IAMGOLD)	Dec-20-2022	Asset	Suriname	Feas	\$282	1.2x	n.a.	n.a.	n.a.	\$197	\$97	\$59	11.1%	3.3%	\$1,771	
G Mining Ventures	Tocantinzinho Gold Project	Jul-13-2021	Asset	Brazil	Feas	\$110	0.4x	n.a.	n.a.	--	\$62	\$52	\$50	3.3%	2.7%	\$1,871	
Zijin Mining	Guyana Goldfields	Jun-03-2020	Corporate	Guyana	Production	\$208	1.2x	nmf	--	--	\$100	\$59	\$39	5.8%	2.3%	\$1,731	
Dundee Precious	INV Metals	May-31-2021	Corporate	Ecuador	Feas	\$74	0.2x	n.a.	n.a.	\$433	\$37	\$28	\$24	2.1%	1.4%	\$1,764	
Aura Minerals	Big River Gold	Apr-19-2022	Corporate	Brazil	Feas	\$53	0.2x	n.a.	n.a.	n.a.	\$33	\$28	\$22	1.7%	1.1%	\$1,936	
B2Gold Corp.	Gramalote (50% - AngloGold)	Sep-18-2023	Asset	Colombia	Scoping Study	\$60	0.4x	nmf	0.2x	\$211	n.a.	\$28	\$21	--	1.1%	\$1,944	
Argonaut Gold	Alio Gold	Mar-30-2020	Corporate	Mexico	Production	\$86	0.4x	n.a.	n.a.	\$1,096	\$30	\$19	\$18	1.9%	1.2%	\$1,572	
Zacatecas Silver Corp.	Esperanza Gold (Alamos)	Feb-27-2022	Asset	Mexico	Scoping Study	\$21	0.7x	n.a.	n.a.	n.a.	\$18	\$17	--	0.9%	\$1,810		
Gran Colombia	Gold X	Mar-15-2021	Corporate	Guyana	Scoping Study	\$156	0.9x	n.a.	n.a.	--	n.a.	\$22	\$16	--	0.9%	\$1,870	
GCM Mining Corp	Aris Gold Corporation	Jul-25-2022	Corporate	Colombia	Production	\$97	0.3x	1.3x	0.9x	\$4,103	\$55	\$20	\$13	3.0%	0.7%	\$1,837	
Zijin	La Arena (PAAS)	May-01-2024	Asset	Peru	Feas	\$295	1.0x	nmf	3.3x	\$2,281	\$860	\$17	\$16	40.0%	0.7%	\$2,148	
Pilar Gold	Pilar	Apr-19-2021	Asset	Brazil	Production	\$38	0.8x	n.a.	n.a.	--	\$143	\$32	\$12	8.0%	0.6%	\$1,784	
Mako Gold	GoldSource	Mar-25-2024	Corporate	Guyana	PEA	\$23	0.1x	nmf	--	n.a.	n.a.	\$20	\$13	--	0.7%	\$2,021	
Heliostar	Ana Paula (Argonaut)	Dec-06-2022	Asset	Mexico	Pre-Feas	\$30	0.4x	n.a.	n.a.	n.a.	\$29	\$9	\$9	1.7%	0.5%	\$1,713	
Mean						\$203	0.6x	7.2x	2.7x	\$1,065	\$161	\$79	\$41	8.7%	2.3%	\$1,840	
Median						\$97	0.4x	5.5x	3.3x	\$322	\$100	\$28	\$22	5.8%	1.2%	\$1,810	

Source: Company public filings, SCPE, gold prices from Bloomberg