Zlato a.s.

29 May 2023

ALVAREZ & MARSAL
LEADERSHIP. ACTION. RESULTS.

Valuation of MVI Ireland s.r.o. in relation to a proposed reverse takeover as at 31 December 2022

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Alvarez & Marsal Benelux B.V.
Zuidplein 118
P.O. Box 79061
1070 NC Amsterdam
Phone: +31 20 767 1111
Fax: +31 20 767 1122

Zlato a.s.
Ovocný trh 11
110 00 Praha 1
Czech Republic

For the attention of: Mr. David Marášek

29 May 2023

Valuation of MVI Ireland s.r.o. in relation to a proposed reverse takeover

As requested, Alvarez & Marsal Benelux B.V. ("**A&M**", "**we**", "**us**", or "**our**") has completed its assessment as to the market value of MVI Ireland s.r.o. ("**MVI Ireland**"), which is the owner of Assat LLC ("**Assat**"), as at 31 December 2022 (the "**Valuation Date**") in the context of the application to Financial Conduct Authority of the United Kingdom ("**FCA**") (the "**Valuation**"). The Valuation has been performed in relation to the acquisition of MVI Ireland by IMC Exploration Group plc ("**IMC**") for a consideration represented by majority of shares in IMC issued and allotted by IMC in favour of Mineral Ventures Invest spol. s r.o. ("**MVI**") resulting in MVI becoming the majority shareholder of IMC (the "**Transaction**").

Assat is an Armenian gold mining business with a license to mine gold in Karaberd, Lori Marz ("**Karaberd Mine**"). Zlato a.s. ("**Zlato**", or the "**Company**") is the parent company of MVI, which in turn is the owner of MVI Ireland s.r.o. ("**MVI Ireland**"). MVI Ireland is a special purpose vehicle ("**SPV**") holding 100% shares in Assat.

Our scope of services included the following:

- Analyse and challenge the inputs and assumptions underlying the financial projections ("**Financial Projections**"), the geological reserves and resources, as well as the expected schedule of production of Karaberd Mine as provided by management of Zlato ("**Management**");
- Completion of the valuation analysis of Assat considering the (i) the discounted cash flow method ("**DCF**"); (ii) the comparable company methods ("**CCA**"); and (iii) the comparable transaction method ("**CTA**"); and
- Preparation of this valuation report ("**Report**"), including a description of the situation and a summary of the methodologies, approaches, and assumptions utilised to estimate the value of MVI Ireland (based on the concluded valuation of Assat); (collectively the "**Valuation Analysis**").

Our Valuation estimates and the Report are valid only for the aforementioned purpose and stated Valuation Date. The Report is not to be referred to, relied upon, or distributed to anyone outside of the Company without the prior written consent of A&M, with the exception that the Company may disclose the Report to IMC and its advisors consistent with the purpose and intended use of the Report, subject to the execution of a no duty access letter satisfactory to A&M.

The currency of financial information used in this Report are in $ millions (**$m** or **USDm**), except share prices and when mentioned otherwise. The concluded values in this Report are presented in £ millions (**£m** or **GBPm**). All references to years relate to calendar years except when mentioned otherwise.

The conclusions and estimates expressed herein are subject to the *Assumptions and Limiting Conditions* contained in Appendix A. The Report describes the purpose, use and scope of the analysis, our methodology and assumptions, and presents our conclusions and supporting analyses, along with supporting appendices.

If you have any questions regarding the Report and our Valuation estimates, please contact me by email on mbooij@alvarezandmarsal.com or by phone on +31 20 767 1107.

Yours faithfully,

Menno Booij
Managing Director
Alvarez & Marsal Valuation Services Benelux

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LEADERSHIP. ACTION. RESULTS.℠

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Context

We have performed the Valuation in relation to the market value of MVI Ireland as at 31 December 2022 in the context of the application to Financial Conduct Authority of the United Kingdom in relation to the Transaction. We have conducted the Valuation Analysis in accordance with the International Valuation Standards (IVS2020).

Our valuation of MVI Ireland does not include A&M's assessment of the value of market capitalisation of IMC after the reverse takeover and re-listing on the LSE, but it represents the value of MVI Ireland as at the Valuation Date, and excludes the value of other parts of the business that will be included in the perimeter of IMC subsequent to the reverse takeover.

Market value to market capitalisation

According to Management, as at 31 December 2022, the market capitalisation of IMC was approximately £2m. Based on our understanding that Assat is the only economically active asset within the perimeter of MVI, and that the Transaction is not expected to deliver any synergies to the parties which could increase (or decrease) the value of MVI Ireland, we have focussed our analysis on the appraisal of the market value of Assat.

Within our analysis and conclusions, we have not adjusted the value for any market conditions prevalent at the time of the reverse takeover, or any pricing effects, which may include, inter alia, listing fees, undersubscription, unfavourable commodity pricing fluctuations, or any potential quantified risks or upside.

Scope of Services

In preparing the Report, we undertook processes and procedures including the following:

- Interviews and discussions with Company management to gain a more thorough understanding of the nature and operations of Assat and Karaberd Mine, including estimated trends and prospects for future growth;
- Discussions with Company management concerning business plans and future performance estimates of Assat and Karaberd Mine;
- Discussions with Company management concerning the geological reserves and resources, as well as the expected schedule of production of Karaberd Mine;
- Analysis of the historical financial condition and operating results of Assat and Karaberd Mine;
- Analysis of the economic and competitive environment, including the industry in which Assat operates, to assess current and anticipated trends; and
- In completing our analysis, we considered all three generally-accepted valuation methodologies: the income, market, and cost approaches.

For the avoidance of doubt, our Valuation Analysis and conclusions do not include the following:

- any form of tax advice or a tax opinion;
- an audit, examination of internal controls, or other attestation or review services;
- feasibility analysis or deal structuring negotiations; and
- fairness opinion, solvency opinion, or investment recommendation.

Engagement Summary

Context, Valuation Scope and Methodology

Sources of financial information

Our analysis with respect to the preparation of this Report included the use of and reliance upon certain non-public financial information and other data relating to the historical, current and future operations, financial performance and prospects of Assat, which are listed in Appendix B.

In performing its analysis, A&M relied upon the accuracy and completeness of all information, data, opinions and representations obtained from public sources or provided to it by Management or from private sources deemed appropriate by A&M, and did not independently verify such information.

Financial forecasts relating to the Karaberd Mine as at 31 December 2022 (the "**Financial Forecasts**") have been provided by Management and used in the Valuation Analysis. The Financial Forecasts contain key financial metrics, including mining and processing schedules, recovered gold and silver volumes, gold and silver price assumptions, and forecasts related to revenue, operating costs, and movements in net working capital. To the extent possible, we have verified the inputs to the Financial Forecasts across the sources listed in Appendix B.

Valuation Conclusion

Valuation Conclusion

Work conducted and valuation conclusion

Based on the information provided and work performed, we have estimated the equity value of MVI Ireland to be £42m, as a midpoint estimate between £35m and £49m, as at the Valuation Date. This value range is based on the results derived from our two primary valuation approaches, the income and market approaches, and the valuation of inventory as at the Valuation Date.

The graph to the right illustrates our equity valuation conclusions ("**Equity Value**") based on these methods:

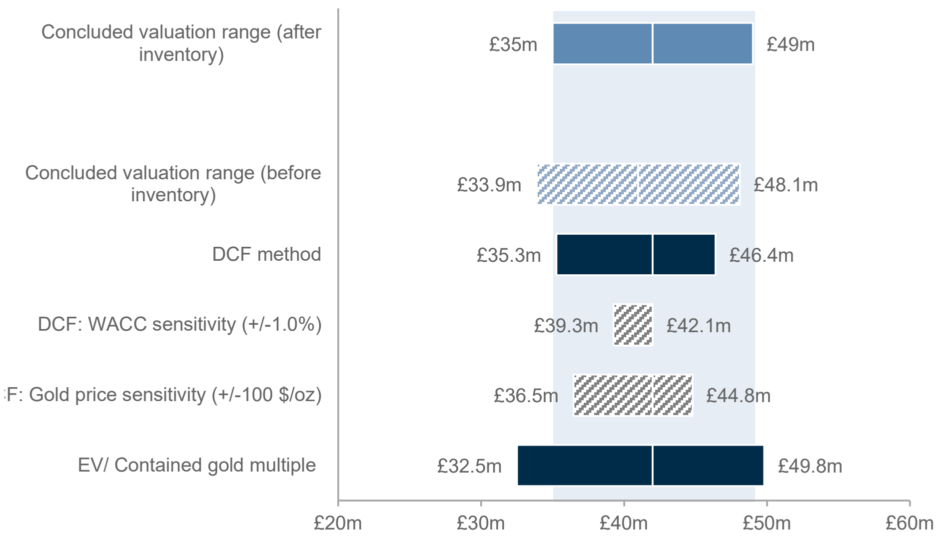
- **Income approach**: Based on forecasts to FY33, provided by Management, and a weighted average cost of capital ("**WACC**") of 13.2% (mid-point), we conclude on an equity value range of between £35.3m to £46.4m (£40.6m mid-point). The equity value is estimated based on the DCF method outlined in Section 6, Discounted Cashflow Analysis, sensitised against the WACC (+/-1.0%) and the gold price (+/-100 $/oz) to yield the concluded low to high range;
- **Market approach**: Based on operational metrics provided by Management and the AMC mineral resource estimate report, we conclude on an equity value range of between £32.5m and £49.8m (£41.1m mid-point) as at the Valuation Date. The equity value estimated is based on the comparable company method outlined in Section 7, Comparable Company Analysis. We have selected an EV/ Contained gold multiple of between 167.2x and 254.2x based on the mid-point of the median and upper quartile (low) and the upper quartile (high) to yield the concluded low to high range.

By placing equal weighting to the two approaches discussed above, we estimate a valuation range of £33.9m to £48.1m (before inventory).

We were informed by Management that, as at the Valuation Date, there was 10,770 dmt of ore in inventory. We performed a valuation of this inventory using the net realisable value ("**NRV**") method. This yields an estimated fair value of inventory of £1.2m.

After adding the value of inventory to the valuation range based on the income and market approach, we conclude on a valuation range of £35m to £49m (mid-point £42m) rounded to the nearest £million.

Valuation Conclusions - Equity Value



Source: A&M analysis.

Company Overview

Introduction

Background of the Transaction

On 15 April 2021, IMC signed an agreement to acquire the Karaberd Mine in Armenia from the Czech mining company MVI through a reverse takeover.

As at 31 December 2022, the Market Capitalisation of IMC was approximately £2 million.

Assat and the Karaberd Mine

Assat LLC was founded in 1999 and in the same year it received a mining right for a marble mine that was not exploited due to natural adversities.

In the period 2003 to 2005, Assat received a right for exploration for gold mines in the south of the country, but these sites were not exploited either due to the unsatisfactory results of the explorations.

In 2007, Assat received the right for exploration for the Karaberd Mine, and in June 2013, Assat received the mining permit for the site for 11 years. The company started operating its gold production plant in the town of Masis in 2010, but these operations stopped due to lack of gold concentrate supply.

Negotiations for the possible acquisition of Assat LLC by MVI Ireland started in 2019. The Transaction was closed in December 2020 with MVI Ireland becoming the unique shareholder of Assat.

Extensive geological work and further exploration studies were performed on the site in the period 2019-2021, despite some headwinds related to Covid-19 restrictions. Finally, in April 2021, the first gold was poured and a total of 46kg of 0.999 purity fine gold had been extracted from crushed ore output.

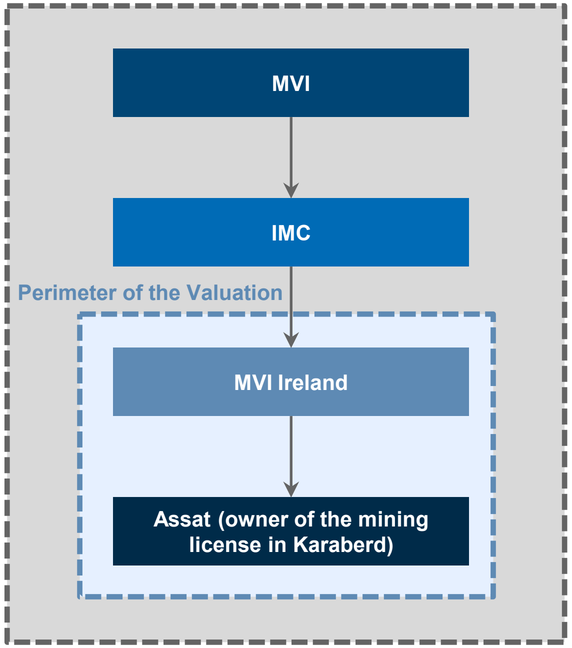
A production facility is expected to be completed by the end of 2023, and interim arrangements have been negotiated with a local refiner to refine gold in the meantime.

Organisation chart and Object of Valuation

MVI owns MVI Ireland, which in turn is the SPV owning the entirety of the shares in Assat. Assat is the Armenian gold mining business that owns the operating license in the Karaberd Mine. IMC is the Irish company that, as per the proposed reverse takeover, is in the process of acquiring MVI Ireland.

The chart below shows the organisation structure after completion of the Transaction. Based on our understanding that (i) Assat is the only economically active asset within the perimeter of MVI Ireland, and (ii) that the Transaction is not expected to deliver any synergies to the parties which could increase (or decrease) the value of IMC, we will focus our analysis on the appraisal of the market value of Assat only.

Post reverse takeover intended organisation chart



Source: Management

Company Overview

Mine location

Property description

The Karaberd Mine is located in the northern part of Armenia, in the Lori Marz province, and comprises a permitted exploration area of 3.96 hectares.

The license to operate on the gold mine was granted to Assat by the Armenian Ministry of Territorial Management and Infrastructures for a period of 11 years in 2013. Assat is in the process of extending the license to operate on the Karaberd Mine for a further decade after the expiration of the permit in 2024.

The Karaberd mine is estimated to contain 320,000 dmt of ore, while its underground reserves (close pit) are estimated to contain 1,330,000 dmt of ore, containing circa 240 kOz of gold and 560 kOz of silver (*sourced from the latest competent person's report issued by AMC Consultants Pty Ltd ("**AMC**"), dated 1 February 2023, as at 1 December 2022 (the "**AMC Report**")*).

According to Management, the ore mined from the Karaberd mine is sold to Arjut Gold Ore Processing Plant, a third-party ore processor also located in the Lori Marz province. In order or improve margins, Management plan to take this process in-house by leasing a processing plant from MVI (on an arm's legnth basis).

Source: 3_Karabred - EY - Mining Permit Valuation Report 1221

Company Overview

Resource classification

The gold mining industry commonly outlines the amount of gold or other precious metals potentially contained on a site by referring to the CIM Definition Standards, which provide guidance on the definitions for mineral resource ("**Mineral Resource**") and mineral reserve ("**Mineral Reserve**") and their confidence categories. As defined in the Definition Standard, issued on May 19, 2014:

"*The category to which a Mineral Resource or Mineral Reserve estimate is assigned depends on the level of confidence in the geological information available on the mineral deposit; the quality and quantity of data available on the deposit; the level of detail of the technical and economic information which has been generated about the deposit, and the interpretation of the data and information.*"

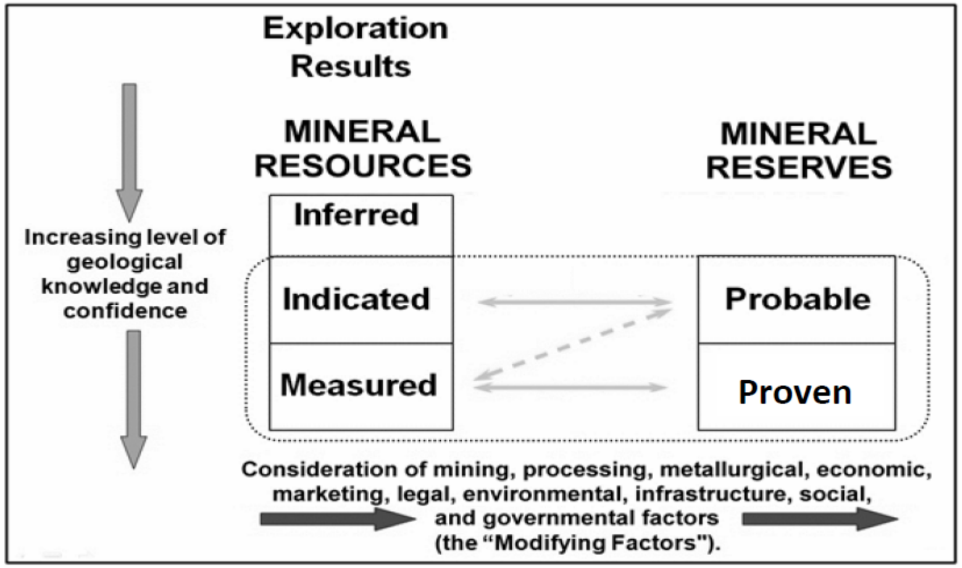
As we received information on the inferred ("**Inferred**") and indicated ("**Indicated**") Mineral Resources contained in the Assat mine, for the purposes of our Valuation Analysis we disregarded the other definitions outlined in the table to the right of the page:

- ***Inferred Mineral Resources***: "*that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity.*"
- ***Indicated Mineral Resources***: "*that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit*". As per the same Standard, modifying factors are the considerations (e.g. mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental, etc…) used to convert Mineral Resources to Mineral Reserves.

The ore resources assumed to contain precious metals are measured in grams or other metrics of mass (thousands of dry metric tons [dmt] in this case). The gold contained in a mine is typically expressed in Troy ounces (oz) (one Troy ounce equals approximately 31.10 grams). As per the AMC Report, Assat's Mineral Resources are classified as "fresh" and "oxidized", with the latter representing minerals which have been oxidised through exposure to oxygen due to the proximity to the surface (and hence interaction with air).

The table below illustrates Assat's ore resources (as per the AMC Report). When considering both the open pit and the closed pit, the Assat gold mine contains circa 240 kOz of gold and 560 kOz of silver. According to Management, 11,520 tonnes of the open pit ore referenced below had been extracted as at the Valuation Date.

Relationship between Mineral Reserves and Mineral Resources



Footnotes:
Source: CIM Definition Standards for Mineral Resources & Mineral Reserves, 19 May 2014

Mineral resource and reserves in Assat

Oxidation	Classification	Ore Res. (t'000)	Gold Grade (g/t)	Contained Gold (Moz)	Silver Grade (g/t)	Contained Silver (Moz)
(1) Oxidised	Inferred	450	4.2	60	9.0	130
(2) Oxidised	Indicated	190	4.0	20	10.0	60
Total	**Inferred and Indicated**	**640**	**4.1**	**80**	**9.0**	**190**
(1) Fresh	Inferred	560	5.1	90	11.0	200
(2) Fresh	Indicated	440	4.9	70	12.0	170
Total	**Inferred and Indicated**	**1,000**	**5.0**	**160**	**11.0**	**370**
Total						

Footnotes:
Source: AMC Report

Financial Projections Overview

Financial Projections

Overview

In this Section of the Report, we describe the projections used in our Valuation Analysis as well as the key assumptions underpinning these projections. The table below sets out the business plan for the Company from FY23 to FY33, reflecting the period in which the Karaberd mine is assumed to hold a mining license and hence operational (the "**Financial Forecast**").

Revenue

Revenue is generated from ore mined through an open pit and a closed pit. The Financial Forecasts assume that the open pit will be in operation until FY25 at which point all open pit ore is assumed to be extracted. Thereafter, ore is extracted from the closed pit until FY33 at which point all closed pit ore is assumed to be extracted. The period up to FY33 is also referred to as the so-called "**Life of Mine**". Key assumptions underpinning the forecast revenue include:

- Gold and silver price: throughout the forecast period to FY33, the assumed gold and silver prices are 1,826.2 USD/oz and 24.0 USD/oz respectively, based on the spot rate as at the Valuation Date (sourced from Capital IQ);
- Ore loss and ore dilution: throughout the forecast period to FY33, assumed ore loss in the open pit and closed pit is 2.1% and 15.0% respectively. The assumed ore dilution in the open pit and closed pit is 9.53% and 17.4% respectively; and
- The assumed annual volume of mined ore during the operational timeframe of the open pit is 150,000 dmt. For the closed pit, which commences operations from FY25, capacity increases marginally to 153,158 dmt thereby assuming that all ore in the closed pit is extracted during the forecast period.

Financial Projections	0	0	0	0	0	0	0	0	0	0	0
Year ended 31 December (in $'m)	**2023F**	**2024F**	**2025F**	**2026F**	**2027F**	**2028F**	**2029F**	**2030F**	**2031F**	**2032F**	**2033F**
Gold price forecast	1,826.2	1,826.2	1,826.2	1,826.2	1,826.2	1,826.2	1,826.2	1,826.2	1,826.2	1,826.2	1,826.2
Silver price forecast	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0
Recovered metal from Open pit (oz)	17,939.9	17,939.9	1,014.2	-	-	-	-	-	-	-	-
Recovered silver from Open pit (oz)	53,648.7	53,648.7	3,032.9	-	-	-	-	-	-	-	-
Recovered metal from Close pit (oz)	-	-	15,595.6	16,530.1	16,530.1	16,530.1	16,530.1	16,530.1	16,530.1	16,530.1	16,503.9
Recovered silver from Close pit (oz)	-	-	36,629.9	38,824.8	38,824.8	38,824.8	38,824.8	38,824.8	38,824.8	38,824.8	38,763.3
Price with discounts on the Gold price Open pit	60.0%	97.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Price with discounts on the Gold price Close pit	60.0%	97.5%	97.5%	97.5%	97.5%	97.5%	97.5%	97.5%	97.5%	97.5%	97.5%
Gold revenue Open pit	19.7	31.9	1.9	-	-	-	-	-	-	-	-
Silver revenue Open pit	0.8	1.3	0.1	-	-	-	-	-	-	-	-
Gold revenue Close pit	-	-	27.8	29.4	29.4	29.4	29.4	29.4	29.4	29.4	29.4
Silver revenue Close pit	-	-	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Total revenue	**20.4**	**33.2**	**30.6**	**30.3**	**30.3**	**30.3**	**30.3**	**30.3**	**30.3**	**30.3**	**30.3**
Annual growth %	*n.a.*	*62.5%*	*(8.0%)*	*(0.7%)*	-	-	-	-	-	-	*(0.2%)*

Source: Management business plan and A&M analysis.

Financial Projections

Operating and administration costs

Operating costs consist of administration, license fee, operating lease, extraction, transportation and ore processing costs, with the latter three making up the majority each year (circa 94% of total cost of goods sold in FY23).

Extraction costs are dependent on the volume of ore extracted from the open and closed pits. Due to accessibility, extraction of ore from the open pit is easier than from the closed pit hence assumed costs per dmt are lower:

- Open pit: 24.6 USD / dmt in FY22, which increases inline with US CPI across the rest of the forecast period; and
- Closed pit: 54.9 USD / dmt in FY22, which increases inline with US CPI across the rest of the forecast period.

Transportation costs reflect the cost involved in transporting the ore from the open and closed pits to the processing plant via railway. Transportation costs are made up of three components:

- Direct transportation costs: 7.8 CHF / ton in FY22, increasing inline with Swiss CPI across the forecast period;
- Service costs: 742.4 AMD / ton in FY22, increasing inline with Armenian CPI across the forecast period; and
- Monthly rent for the leased area on the railway station: 826,531.6 AMD / month, increasing inline with Armenian CPI across the forecast period.

Financial Projections

Year ended 31 December (in $'m)	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F
Total revenue	**20.4**	**33.2**	**30.6**	**30.3**	**30.3**	**30.3**	**30.3**	**30.3**	**30.3**	**30.3**	**30.3**
Annual growth %	*n.a.*	*62.5%*	*(8.0%)*	*(0.7%)*	-	-	-	-	-	-	*(0.2%)*
Total extraction costs	(3.8)	(3.9)	(8.7)	(9.2)	(9.4)	(9.5)	(9.7)	(9.9)	(10.1)	(10.4)	(10.5)
Transportation Service costs	(1.5)	(1.6)	(1.6)	(1.7)	(1.7)	(1.7)	(1.8)	(1.8)	(1.8)	(1.8)	(1.9)
License fee (state duty)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Total costs on the community socio-economic development	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Total mine closing costs	-	-	-	-	-	-	-	-	-	-	(0.0)
Operating lease payment	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)
Ore processing	-	(6.1)	(5.8)	(5.8)	(5.8)	(5.8)	(5.8)	(5.8)	(5.8)	(5.8)	(5.8)
Cost of goods sold	(6.0)	(12.2)	(16.8)	(17.3)	(17.5)	(17.7)	(17.9)	(18.1)	(18.4)	(18.6)	(18.8)
As % of revenue	*(29.2%)*	*(36.6%)*	*(54.9%)*	*(56.9%)*	*(57.6%)*	*(58.3%)*	*(59.0%)*	*(59.8%)*	*(60.6%)*	*(61.3%)*	*(62.2%)*
Gross profit	**14.5**	**21.0**	**13.8**	**13.1**	**12.9**	**12.7**	**12.4**	**12.2**	**12.0**	**11.7**	**11.5**
As % of revenue	*70.8%*	*63.4%*	*45.1%*	*43.1%*	*42.4%*	*41.7%*	*41.0%*	*40.2%*	*39.4%*	*38.7%*	*37.8%*
Operating expenses	(0.3)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
As % of revenue	*(1.3%)*	*(1.3%)*	*(1.3%)*	*(1.3%)*	*(1.3%)*	*(1.3%)*	*(1.3%)*	*(1.3%)*	*(1.3%)*	*(1.3%)*	*(1.3%)*
EBIT	**14.2**	**20.6**	**13.4**	**12.7**	**12.5**	**12.3**	**12.0**	**11.8**	**11.6**	**11.3**	**11.1**
As % of revenue	*69.5%*	*62.1%*	*43.8%*	*41.8%*	*41.1%*	*40.4%*	*39.7%*	*38.9%*	*38.2%*	*37.4%*	*36.5%*

Source: Management business plan and A&M analysis.

Financial Projections

Operating and administration costs (cont.)

From FY23 to FY24, the Financial Forecasts assumes that the mined ore is sold to Arjut Gold Ore Processing Plant (a third party processor) hence there are no processing costs. During this timeframe, the mined ore is assumed to be sold at a 40.0% discount to the prevailing gold price (calculated based on the assumption that the gold grade is above 3 g/t). From FY24 to FY33, the Financial Forecasts assumes that the Company processes the mined ore in a processing plant which is leased from MVI at arm's length lease terms (please refer to page 10). The ore processing costs during this period are broken down into two components; Ore processing salary costs assumed as 12.8 USD / ton of ore; and ore processing costs assumed as 12.5% of total revenue in a particular year.

Mining licence royalty

The Armenian government levies royalty charges on the Company on the extraction of gold and silver. Up to FY24, the Company sells the unprocessed mined ore (i.e. not gold and silver in its pure form) to a third-party ore processor and hence is not subject to the royalty fee during this period. According to Management (and with reference to document "*Royalty formula.docx*"), the royalties are calculated based on the following metrics:

1. Sales turnover of any end product (4.0% royalty rate);
2. Profit before tax (12.5% royalty rate); and
3. Profit before tax less royalties calculated in steps 1 and 2 and sales turnover multiplied by 15.0% (15.0% royalty rate).

Financial Projections

Year ended 31 December (in $'m)	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F
EBIT	**14.2**	**20.6**	**13.4**	**12.7**	**12.5**	**12.3**	**12.0**	**11.8**	**11.6**	**11.3**	**11.1**
As % of revenue	*69.5%*	*62.1%*	*43.8%*	*41.8%*	*41.1%*	*40.4%*	*39.7%*	*38.9%*	*38.2%*	*37.4%*	*36.5%*
Tax loss carry forwards	(0.6)	-	-	-	-	-	-	-	-	-	-
EBT after tax loss carry forwards	**13.6**	**20.6**	**13.4**	**12.7**	**12.5**	**12.3**	**12.0**	**11.8**	**11.6**	**11.3**	**11.1**
As % of revenue	*66.5%*	*62.1%*	*43.8%*	*41.8%*	*41.1%*	*40.4%*	*39.7%*	*38.9%*	*38.2%*	*37.4%*	*36.5%*
Total royalty charge	-	(5.7)	(3.8)	(3.7)	(3.6)	(3.6)	(3.5)	(3.4)	(3.4)	(3.3)	(3.3)
As % of revenue	-	*(17.3%)*	*(12.6%)*	*(12.1%)*	*(11.9%)*	*(11.7%)*	*(11.5%)*	*(11.3%)*	*(11.1%)*	*(10.9%)*	*(10.7%)*
Taxable income	**13.6**	**14.9**	**9.5**	**9.0**	**8.9**	**8.7**	**8.5**	**8.4**	**8.2**	**8.0**	**7.8**
As % of revenue	*66.5%*	*44.8%*	*31.2%*	*29.7%*	*29.2%*	*28.7%*	*28.1%*	*27.6%*	*27.0%*	*26.4%*	*25.8%*
Total calculated taxes	(2)	(3)	(2)	(2)	(2)	(2)	(2)	(2)	(1)	(1)	(1)
As % of EBIT	*(17.2%)*	*(13.0%)*	*(12.8%)*	*(12.8%)*	*(12.8%)*	*(12.8%)*	*(12.8%)*	*(12.8%)*	*(12.7%)*	*(12.7%)*	*(12.7%)*
Net operating profit after taxes (NOPAT)	**11.8**	**12.2**	**7.8**	**7.4**	**7.3**	**7.1**	**7.0**	**6.9**	**6.7**	**6.6**	**6.4**
As % of revenue	*57.5%*	*36.8%*	*25.6%*	*24.4%*	*24.0%*	*23.5%*	*23.1%*	*22.6%*	*22.1%*	*21.7%*	*21.2%*

Source: Management business plan and A&M analysis.

Valuation Methodology

Overview

Definition of value

As requested by Management, we conducted the Valuation Analysis in accordance with the definition of market value as defined by the International Valuation Standards (IVS), which is:

"*the estimated amount for which an asset or liability should exchange on the Valuation Date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.*"

Our Valuation Analysis reflects what we consider the assumptions that would be applied, in assessing the price of Assat on a stand-alone and a going-concern basis, by market participants in the principal or most advantageous market assuming that they are independent, that they would be knowledgeable and have a reasonable understanding of the business, and that they would be willing and able to transact without being under any compulsion to do so. In addition, this definition does not include any premium that might be paid by a strategic buyer that would realise certain synergies, nor does it include any discount for lack of marketability.

Valuation methodology

In performing our analysis, we considered the suitability of the three principal approaches to Valuation analyses – the Income Approach, the Market Approach and the Cost Approach – or variations thereof.

Income Approach

The income approach utilizes an economic benefit stream to the enterprise and equity, typically based on historical or projected cash flow, which is reasonably reflective of Assat's most likely future operations. The selected benefit stream is then discounted to the present value with an appropriate risk-adjusted discount rate or capitalization rate.

The two primary methods under the income approach for valuation enterprise and equity interests are:

- Discounted cash flow method; and
- Capitalised earnings method.

A discounted cash flow analysis looks at the cash flows for future projected periods and discounts them back to the Valuation Date at an appropriate discount rate.

A capitalized earnings analysis will normalize historical or expected earnings in the first projected year, and then capitalize the cash flow into perpetuity based on appropriate discount and growth rates. We have used the discounted cash flow method as our main valuation method.

Market Approach

The market approach is used to estimate the price through the analysis of recent sales prices of similar financial assets or businesses. The market approach consists of two primary methodologies: the comparable company method (defined before as CCA) and the comparable transaction method (defined before as CTA).

- The CCA method involves identifying and selecting publicly traded companies with financial and operating characteristics similar to the subject being valued. Once comparable companies are identified, valuation multiples are calculated and adjusted for comparability with the subject being valued, and then applied to the subject to estimate the price of its enterprise, equity or invested capital.
- The CTA involves determining valuation multiples from change-in-control sales of companies with similar financial and operating characteristics. Derived valuation multiples are adjusted (as appropriate) and then applied to the subject to estimate the price.

We have used the CCA method of the market approach in our Valuation Analysis. Due to the lack of publicly available information related to change-in-control sales of companies comparable to Assat, we have not relied on the CTA valuation method.

Cost Approach

The cost approach bases prices on the value of the assets that make up the business. The approach reflects the economic principle of substitution; an informed purchaser would pay no more for an asset than the cost of creating a similar asset with the same economic benefits. We have not used the cost approach in our Valuation Analysis as it would not take into account the current and future prospects for Assat, the current (important) industry developments, or the state of the macroeconomy.

Discounted Cash Flow Analysis

Income Approach

Overview

In applying the Income Approach, we used the DCF method which estimates the operating enterprise value of a company based on the net present value of its anticipated future operating free cash flows. The accompanying equity value is obtained by adding net non-operating assets, including any value of deferred tax assets and by deducting net debt from the estimated operating enterprise value. The Valuation Date used for the purposes of the analysis is 31 December 2022.

Valuation estimates

The free cash flows to firm ("**FCFF**") forecasts are presented in the table below and are based on the AMC Report, the Financial Forecasts, and other sources as listed in Appendix B. The forecasts have been discounted using a WACC of 13.2% (see Schedule 4 in Appendix C).

As shown in the table below, the sum of the discounted FCFF forecasts indicates an enterprise value of $49.9m. After subtracting net debt of $0.0m and the asset retirement obligation ("**ARO**") reserve of $1.0m, we arrive at an equity value of $48.9m.

As advised by Management, the $1.0m ARO reserve reflects the expected asset retirement costs (not a contractual commitment) and is in addition to the assumed closing costs of $21k in FY33, reflected in the DCF. We have assumed that any deferred tax asset and depreciation charges that may arise as a result of the ARO are assumed to be immaterial.

Using the £/$ foreign exchange spot rate as at the Valuation Date, we arrive at an equity value of £40.6m.

Please note that the concluded enterprise and equity value presented in the Report do not reflect any potential quantified risks or upsides. In our Valuation Analysis, we have assumed that:

i. the mining license(s) for the Life of Mine is/(are) free from renewal and/or application risk;

ii. there are no other discounts applicable to the value of Assat (including, but not limited to, listing fees, liquidity, minority, market underpricing at the time of reverse takeover, etc.); and

iii. both gold and silver mining operations are owned and controlled by MVI Ireland.

Further details of the DCF calculations are presented in Schedule 3 in Appendix C.

Valuation Outcomes of the DCF

Year ended 31 December (in $'m)	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F
Net operating profit after taxes (NOPAT)	**11.8**	**12.2**	**7.8**	**7.4**	**7.3**	**7.1**	**7.0**	**6.9**	**6.7**	**6.6**	**6.4**
As % of revenue	*57.5%*	*36.8%*	*25.6%*	*24.4%*	*24.0%*	*23.5%*	*23.1%*	*22.6%*	*22.1%*	*21.7%*	*21.2%*
Cash flow adjustments:											
Net working capital changes	(1.2)	(0.9)	0.1	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	1.8
Free cash flows to firm (FCFF)	**10.5**	**11.3**	**7.9**	**7.4**	**7.2**	**7.1**	**7.0**	**6.8**	**6.7**	**6.5**	**8.2**
Discount period	0.500	1.500	2.500	3.500	4.500	5.500	6.500	7.500	8.500	9.500	10.500
Present value factor at discount rate of 13.2%	0.940	0.830	0.733	0.648	0.572	0.506	0.447	0.395	0.349	0.308	0.272
PV of FCFF	**9.9**	**9.4**	**5.8**	**4.8**	**4.1**	**3.6**	**3.1**	**2.7**	**2.3**	**2.0**	**2.2**

Enterprise Value ($'m)	**49.9**
Minus: Net debt	(0.0)
Equity Value before ARO reserve ($'m)	**49.9**
Minus: ARO reserve (Asset retirement obligation)	(1.0)
Equity Value ($'m)	**48.9**
£/$ FX rate	0.83
Equity Value (£'m)	**40.6**

Source: Management business plan and A&M analysis.

Income Approach

Discount rate

We estimated the weighted average cost of capital (WACC) for Assat, as of the Valuation Date, to be in the range of 12.2% to 14.2%, with a mid-point estimate of 13.2%. Our estimate was calculated using the Capital Asset Pricing Model ("**CAPM**") and was based on the below inputs (also refer to Schedule 4). Importantly, the assumed economics behind these inputs are aligned with the assumed economics underlying the projections.

Risk-free rate: represents the yield to maturity of 10-year US government bonds consistent with the Life of Mine. The risk-free rate is a combination of the long-term real risk-free rate and the long-term inflation rate.

Unlevered beta: between 0.99 and 1.10. The beta in the low and high WACC cases are derived from professor Damodaran's beta for the global precious metal industry and global metals and mining industry respectively (the market data used to estimate his beta can be downloaded from his website). These betas are based on a large set of companies; on the one hand this means somewhat less comparable companies to Assat are included but on the other hand it also results in statistically more meaningful summary statistics.

Leverage (D/E) ratio: we have applied a leverage ratio range of 14.7% (low WACC case) to 26.0% (high WACC case), estimated from resp. professor Damodaran's estimate for global precious metal industry and global metals and mining industry respectively (described in the unlevered beta section).

Tax rate: the tax rate is based on the corporate income tax rate of 18.0% for Armenia.

Equity market risk premium ("EMRP"): we have applied an EMRP of 5.75% based on the KPMG study about this topic as per 31 December 2022. This study is frequently referenced by valuation practitioners as it is one of the few publicly available sources on the EMRP that is frequently updated. We have used this source as we believe the WACC should be based on sources available to the market.

Weighted Average Cost of Capital (WACC)

Parameters	Notes	Low	High
Risk-free rate (Rf)		3.9%	3.9%
Unlevered beta (Bu)		0.99	1.10
Leverage (ND/E)		14.7%	26.0%
Tax rate (T)		18.0%	18.0%
Levered beta (Bl)		1.11	1.33
Equity market risk premium (EMRP)		5.75%	5.75%
Country risk premium (CRP)		0.0%	1.8%
Small company premium (SCP)		3.0%	3.0%
Cost of equity (Re)		**13.3%**	**16.3%**
Re Midpoint (rounded)		**13.3%**	**16.3%**
Risk free rate (Rf)		3.9%	3.9%
Spread (S)		1.8%	1.8%
Country risk premium (CRP)		0.0%	1.8%
Pre-tax cost of debt		5.7%	7.4%
Tax rate (T)		18.0%	18.0%
Post-tax cost of debt (Rd)		**4.6%**	**6.1%**
WACC calculation:			
Net debt % of capital (Wd)		12.8%	20.6%
Cost of debt (Rd)		4.6%	6.1%
Weighted cost of debt		**0.6%**	**1.3%**
Equity % of capital (We)		87.2%	79.4%
Cost of equity (Re)		13.3%	16.3%
Weighted cost of equity		**11.6%**	**13.0%**
Weighted average cost of capital		**12.2%**	**14.2%**
WACC Midpoint (rounded)		13.2%	

Footnotes:

Source: S&P Capital IQ as of 31/12/2022 and A&M analysis.

Income Approach

Discount rate (continued)

Country risk premium ("CRP"): an additional premium of 0.0% (low WACC case) to 1.8% (high WACC case) was added to the CAPM-derived cost of equity for the Company to reflect the risk associated with operating in Armenia. For the high case, the CRP is based on professor Damodaran's latest research, adjusted downwards by 50% to reflect the limited exposure on the global demand side.

Small company premium ("SCP"): an additional size premium of 3.0% was added to the CAPM-derived cost of equity for the Company to reflect empirically observed returns over CAPM for companies of a similar market capitalization to the Company. Per the Micro decile group of Kroll's 2022 Cost of Capital Navigator, this SCP applies to firms with an equity value of circa $11m - $628m (see Schedule 6).

Cost of debt: The cost of debt is based on the risk-free rate plus a spread for the 10-year bond index for the materials sector for BBB (for both the low and the high WACC case) credit ratings based on the assumption that, in practice, a bank would consider a BBB credit rating for Assat due to its moderate leverage. This spread amounts to 1.8% of Valuation Date. We have also included the CRP as discussed above.

Weighted Average Cost of Capital (WACC)

Parameters	Notes	Low	High
Risk-free rate (Rf)		3.9%	3.9%
Unlevered beta (Bu)		0.99	1.10
Leverage (ND/E)		14.7%	26.0%
Tax rate (T)		18.0%	18.0%
Levered beta (Bl)		1.11	1.33
Equity market risk premium (EMRP)		5.75%	5.75%
Country risk premium (CRP)		0.0%	1.8%
Small company premium (SCP)		3.0%	3.0%
Cost of equity (Re)		**13.3%**	**16.3%**
Re Midpoint (rounded)		**13.3%**	**16.3%**
Risk free rate (Rf)		3.9%	3.9%
Spread (S)		1.8%	1.8%
Country risk premium (CRP)		0.0%	1.8%
Pre-tax cost of debt		5.7%	7.4%
Tax rate (T)		18.0%	18.0%
Post-tax cost of debt (Rd)		**4.6%**	**6.1%**
WACC calculation:			
Net debt % of capital (Wd)		12.8%	20.6%
Cost of debt (Rd)		4.6%	6.1%
Weighted cost of debt		**0.6%**	**1.3%**
Equity % of capital (We)		87.2%	79.4%
Cost of equity (Re)		13.3%	16.3%
Weighted cost of equity		**11.6%**	**13.0%**
Weighted average cost of capital		**12.2%**	**14.2%**
WACC Midpoint (rounded)		13.2%	

Footnotes:

Source: S&P Capital IQ as of 31/12/2022 and A&M analysis.

Income Approach

Sensitivity analysis

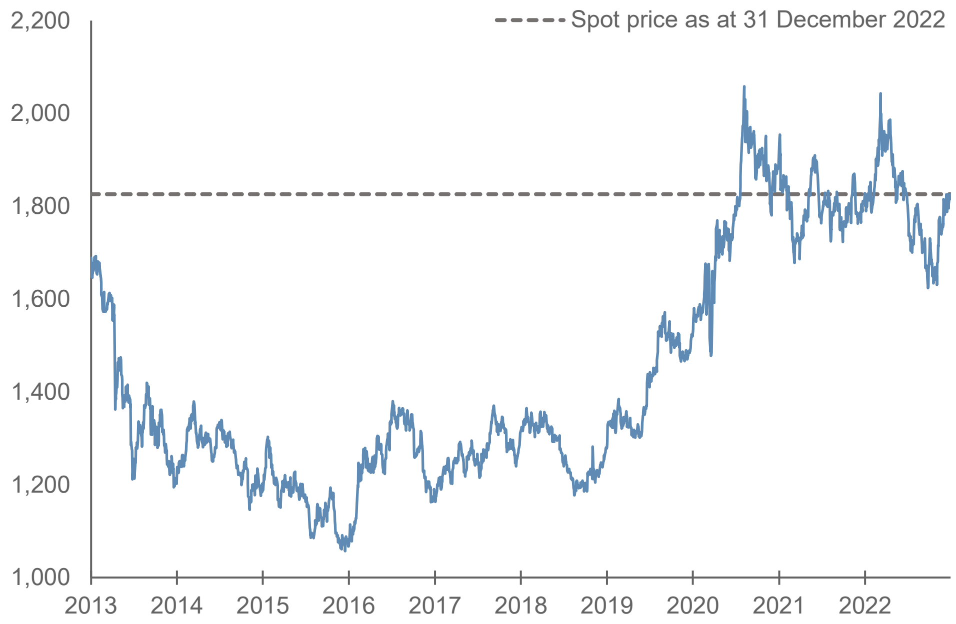
The mid-point equity value estimate based on the income approach has been sensitised against:

i. the WACC (+/-1.0%); and

ii. the gold price (+/-100 $/oz).

WACC: The forecast cash flows are discounted at mid-period intervals using a WACC estimate of 13.2% as at 31 December 2022. As explained above, 13.2% is a mid-point estimate based on our estimated WACC range of 12.2%–14.2%. For details on the WACC calculation, see Schedule 4 in Appendix C.

Historical Gold Price ($/oz)



Source: Capital IQ and A&M analysis.

Gold price: In our Valuation Analysis, we have used the gold spot price as at 31 December 2022, sourced from S&P Capital IQ. As seen in the graph below, the gold price has fluctuated substantially over the past 10 years, ranging from 1,057 $/oz in December 2015 to 2,058 $/oz in August 2020. Based on the average fluctuations in the gold price over the last three years, we deem a sensitivity of +/-100 $/oz to be reasonable.

Valuation results

The sensitivity results are presented in the table below and illustrate an equity value range of between **£35.3 – £46.4m** based on the income approach.

Sensitivity Analysis - Equity Value (£'m)

		Gold price ($/oz)		
		1,726	**1,826**	**1,926**
WACC	**12.2%**	37.7	42.1	**46.4**
	13.2%	36.5	40.6	44.8
	14.2%	**35.3**	39.3	43.3

Source: Management business plan and A&M analysis.

Comparable Company Analysis

Comparable Company Analysis

Market Approach

Comparable Company Analysis

Peer group selection

The CCA is based on a group of publicly listed companies which we consider to be comparable to Assat in terms of (i) industry classification; (ii) availability of data; (iii) size; and (iv) starting of production:

- ***Operations***: peers were only included if their main operations involved mining gold ores from lode deposits. Furthermore, as per AMC's Competent Person's Report dated June 2022: "…*the limited size of the allotment and smaller size of the contained exploitation permit suggests there may be insufficient strike length for a base metals target of interest*". Hence, we also excluded the peers that are engaged in the extraction of copper, nickel, zinc and other base metals.
- ***Availability of data***: peers were only considered if the information related to inferred ore resources for gold are publicly available. This information is necessary in the calculation of the multiples used to assess the value of Assat.
- ***Size***: given the small size of Assat, we excluded peers with a higher market capitalization than $300m.
- ***Starting of production***: although first explorations in Karaberd mine started in the late 1960s, the most substantive exploration projects were only performed in 2000s and 2010s, and the first gold was only poured in April 2021, making Karaberd a relatively young mine. Hence, we only included peers operating in sites in which production started no earlier than the previous decade.

Applying the above search criteria resulted in a peer group of 18 peers, mostly headquartered in Canada and Australia but also in the United States, Kyrgyzstan, Finland, Singapore and Sweden.

Peer set - Summary details

#	Company name	Country	Mkt. Cap ($/m)	Prod. Start
(1)	Orezone Gold Corporation	Canada	312	2022
(2)	Calidus Resources Limited	Australia	80	2022
(3)	Resolute Mining Limited	Australia	289	2018
(4)	Robex Resources Inc.	Canada	218	2017
(5)	Fortitude Gold Corporation	United States	132	2019
(6)	Thor Explorations Ltd.	Canada	119	2022
(7)	Galiano Gold Inc.	Canada	120	2016
(8)	Chaarat Gold Holdings Limited	Kyrgyzstan	90	2019
(9)	Novo Resources Corp.	Canada	54	2021
(10)	Cerrado Gold Inc.	Canada	51	2017
(11)	Scotgold Resources Limited	Australia	42	2020
(12)	Endomines Finland Oyj	Finland	50	2011
(13)	Galantas Gold Corporation	Canada	37	2022
(14)	Wilton Resources Corporation Limited	Singapore	41	2017
(15)	Akobo Minerals AB (publ)	Sweden	29	2015
(16)	Gowest Gold Ltd.	Canada	13	2021
(17)	Sihayo Gold Limited	Australia	4	2017
(18)	Beacon Minerals Limited	Australia	71	2017

Peer set composition

Source: Capital IQ and A&M analysis

Market Approach

Comparable Company Analysis

Valuation estimates

As seen in the table to the right, for the purposes of our CCA analysis we considered the total amounts of gold contained in the mines owned by the companies of the peer set. As we only received information regarding the Inferred and Indicated (collectively, "**Inferred & Indicated**") gold contained in Assat, we only assessed the gold classified under these two definitions for the companies of the peer set.

The multiples have been computed by dividing the Inferred & Indicated contained gold of each peer by their respective enterprise value (in USD). The multiples have then been applied to the amount of Inferred and Indicated contained gold in Assat's mine (please refer to page 11). After subtracting the net debt position of Assat as at the Valuation Date from the concluded enterprise values, the equity value has been converted to GBP at the prevailing spot rate as at the Valuation Date (source from Capital IQ, 0.83).

As illustrated in the table to the right, Assat's gold grade is significantly higher than the median of the peer set and marginally higher than the upper quartile. In the practice, this means that the effort to extract the same amount of gold would be lower in Assat than in most of the peers' mines, implying lower extraction costs per gram of gold. This would have a positive impact on the earnings potential of Assat compared to that of the peer set.

In our view, the higher gold grade should be considered when determining an appropriate multiple for Assat. We have selected an EV/ Contained gold multiple of between 167.2x and 254.2x based on the mid-point of the median and upper quartile (low case) and the upper quartile (high case) in our Valuation Analysis. These multiples imply an Equity Value of Assat of between £32.5m to £49.8m based on Assat's Inferred and Indicated contained gold.

For further detail on how the peers' Inferred and Indicated resources and contained gold have been computed, please refer to the next page.

Comparable company analysis - Contained gold multiple outcomes

#	Company name	EV (in $'m)	Inferred & Indicated: Ore Res. (t'000)	Inferred & Indicated: Gold Grade (g/t)	Inferred & Indicated: Contained Gold (Moz)	Multiples: Contained Gold I&I ($/oz)
(1)	Orezone Gold Corporation	407.5	242,200	0.7	5.1	79.4x
(2)	Calidus Resources Limited	141.3	42,000	1.2	1.6	87.4x
(3)	Resolute Mining Limited	426.0	107,181	2.4	8.1	52.7x
(4)	Robex Resources Inc.	220.4	32,837	0.7	0.8	290.5x
(5)	Fortitude Gold Corporation	91.2	5,971	1.1	0.2	440.9x
(6)	Thor Explorations Ltd.	163.6	15,300	1.5	0.7	229.2x
(7)	Galiano Gold Inc.	65.3	45,045	1.4	1.9	33.8x
(8)	Chaarat Gold Holdings Limited	129.4	94,571	2.1	6.3	20.6x
(9)	Novo Resources Corp.	(3.4)	3,880	2.2	0.3	nmf
(10)	Cerrado Gold Inc.	74.0	37,569	1.9	2.2	33.9x
(11)	Scotgold Resources Limited	58.2	556	13.2	0.2	254.2x
(12)	Endomines Finland Oyj	66.0	-	n.a.	-	n.a.
(13)	Galantas Gold Corporation	37.9	2,054	7.4	0.5	80.1x
(14)	Wilton Resources Corporation Limited	59.6	-	n.a.	-	n.a.
(15)	Akobo Minerals AB (publ)	27.8	94	22.8	0.1	416.5x
(16)	Gowest Gold Ltd.	13.8	5,700	6.4	1.1	12.2x
(17)	Sihayo Gold Limited	(13.3)	26,989	1.4	1.2	nmf
(18)	Beacon Minerals Limited	63.5	-	n.a.	-	n.a.
Summary statistics						
Q1				1.3		33.9x
Average				4.4		156.3x
Median				1.9		80.1x
Q3				4.4		254.2x
Selected: Low						**167.2x**
Selected: High						**254.2x**
Assat LLC Value Drivers				4.7		0.2

Enterprise Value (m)	**£**	**$**
Q1	6.8	8.1
Average	31.1	37.5
Median	16.0	19.2
Q3	50.6	61.0
Selected: Low	**33.3**	**40.1**
Selected: High	**50.6**	**61.0**
Minus: Net debt and asset retirement obligation	(0.8)	(1.0)
Equity Value (m)	**£**	**$**
Q1	5.9	7.1
Average	30.3	36.5
Median	15.1	18.2
Q3	49.8	60.0
Selected: Low	**32.5**	**39.1**
Selected: High	**49.8**	**60.0**

Source: Capital IQ (run on 11/04/23, as at 31/12/22), company reports (Akobo Minerals AB data sourced from 2022 Gold Deposit Resource Update), AMC Report and A&M analysis. Galiano Gold Inc owns a 45% interest in the operating mine hence resource estimates have been adjusted to reflect ownership.

Market Approach

Comparable Company Analysis

Multiples calculation

As outlined in the table to the right, contained gold amounts have been separately computed for Inferred and Indicated gold. This was computed by multiplying the ore resources (t'000) by the related gold grade (g/t) and subsequently converted from gram to Troy ounces. The ore resources and gold grade data was retrieved from Capital IQ for each peer.

The Inferred & Indicated ore resources and contained gold amounts have been computed by adding up the figures separately computed for (i) Inferred ore resources and contained gold; and (ii) Indicated ore resources and contained gold. The Inferred & Indicated gold grade was then back-solved.

We note that the following exceptions apply:

- ***Novo Resources Corp***: due to the significant cash position, the enterprise value is negative. The related multiples have been set to non-meaningful;
- ***Sihayo Gold Limited***: due to the significant minority interest position, the enterprise value is negative. The related multiples have been set to non-meaningful; and
- ***Endomines Finland Oyj, Wilton Resources Corporation Limited and Beacon Minerals Limited***: Capital IQ was unable to source information.

Metrics used for valuation purposes

The concluded multiples have been applied to the contained gold (both Inferred and Indicated) of the Assat mine based on the following inputs, sourced from the AMC Report:

- ***Ore resources***: 1,010,000 tonnes indicated and 630,000 tonnes inferred;
- ***Contained gold***: 150,000 oz indicated and 90,000 oz inferred; and
- ***Gold grade***: The gold grade has been calculated based on the aforementioned ore resources and contained gold. 4.8 grams per tonne indicated and 4.6 grams per tonne inferred.

Comparable company analysis - Contained gold multiple calculations

		Inferred			Indicated		
#	Company name	Ore Res. (t'000)	Gold Grade (g/t)	Contained Gold (Moz)	Ore Res. (t'000)	Gold Grade (g/t)	Contained Gold (Moz)
(1)	Orezone Gold Corporation	53,300	0.7	1.1	188,900	0.7	4.1
(2)	Calidus Resources Limited	11,000	1.6	0.5	31,000	1.1	1.1
(3)	Resolute Mining Limited	39,888	1.8	2.2	67,293	2.8	5.9
(4)	Robex Resources Inc.	555	0.9	0.0	32,282	0.7	0.7
(5)	Fortitude Gold Corporation	2,956	1.1	0.1	3,015	1.1	0.1
(6)	Thor Explorations Ltd.	15,300	1.5	0.7	n.a.	n.a.	n.a.
(7)	Galiano Gold Inc.	11,295	1.3	0.5	33,750	1.4	1.5
(8)	Chaarat Gold Holdings Limited	31,519	1.5	1.5	63,052	2.4	4.8
(9)	Novo Resources Corp.	830	1.6	0.0	3,050	2.4	0.2
(10)	Cerrado Gold Inc.	19,580	1.9	1.1	17,989	1.9	1.0
(11)	Scotgold Resources Limited	75	7.4	0.0	481	14.2	0.2
(12)	Endomines Finland Oyj	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
(13)	Galantas Gold Corporation	1,374	7.7	0.3	680	6.8	0.1
(14)	Wilton Resources Corporation Limited	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
(15)	Akobo Minerals AB (publ)	62	13.6	0.0	32	40.6	0.0
(16)	Gowest Gold Ltd.	3,600	6.5	0.7	2,100	6.2	0.4
(17)	Sihayo Gold Limited	13,467	1.0	0.4	13,522	1.8	0.7
(18)	Beacon Minerals Limited	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

		Infered & Indicated		
#	Company name	Ore Res. (t'000)	Gold Grade (g/t)	Contained Gold (Moz)
(1)	Orezone Gold Corporation	242,200	0.7	5.1
(2)	Calidus Resources Limited	42,000	1.2	1.6
(3)	Resolute Mining Limited	107,181	2.4	8.1
(4)	Robex Resources Inc.	32,837	0.7	0.8
(5)	Fortitude Gold Corporation	5,971	1.1	0.2
(6)	Thor Explorations Ltd.	15,300	1.5	0.7
(7)	Galiano Gold Inc.	45,045	1.4	1.9
(8)	Chaarat Gold Holdings Limited	94,571	2.1	6.3
(9)	Novo Resources Corp.	3,880	2.2	0.3
(10)	Cerrado Gold Inc.	37,569	1.9	2.2
(11)	Scotgold Resources Limited	556	13.2	0.2
(12)	Endomines Finland Oyj	-	n.a.	-
(13)	Galantas Gold Corporation	2,054	7.4	0.5
(14)	Wilton Resources Corporation Limited	-	n.a.	-
(15)	Akobo Minerals AB (publ)	94	22.8	0.1
(16)	Gowest Gold Ltd.	5,700	6.4	1.1
(17)	Sihayo Gold Limited	26,989	1.4	1.2
(18)	Beacon Minerals Limited	-	n.a.	-

Source: Capital IQ (run on 11/04/23, as at 31/12/22) and A&M analysis

Balance Sheet

Balance Sheet Analysis

Financial position

The balance sheet of MVI Ireland (audited by Grant Thornton Audit s.r.o.) as at 31 December 2022 is set out opposite.

With respect to MVI Ireland's financial position:

- The Mining license balance represents the fair value of the mining license held by Assat. The license was granted in 2013 for a period of 11 years for the Assat mine;
- Inventory is largely made up of ore oxide. The book value of inventory has been stated at the lower of cost and net realisable value;
- Trade and other receivables is largely made up of shareholder receivables and advances and prepayments;
- Trade payables make up the majority of Trade and other payables.

Balance Sheet

As of 31 December 2022	Classification	In €'k	In $'k
Property and equipment	TFA	2	2
Mining license	IA	3,880	4,147
Non-current assets		**3,882**	**4,149**
Inventories	NWC	283	302
Trade and other receivables	NWC	1,410	1,507
Cash and bank balances	ND	57	61
Current assets		**1,750**	**1,870**
Total assets		**5,632**	**6,019**
Share capital	EQ	1	1
Other capital funds	EQ	3,810	4,072
Accumulated profit /- loss	EQ	(772)	(825)
Foreign curr. transl. reserve	EQ	1,591	1,700
Capital and reserves		**4,630**	**4,948**
Loans and borrowings	ND	30	32
Asset retirement obligation	ND	29	31
Deferred tax liability	DTA/DTL	541	578
Non-current liabilities		**600**	**641**
Trade and other payables	NWC	402	430
Current liabilities		**402**	**430**
Total equity and liability		**5,632**	**6,019**

Source: Management information and A&M workings.

Note: the balance sheet has been converted to USD at the prevailing spot rate as at the Valuation Date (source from Capital IQ).

Inventory

Overview

Management informed us that the total inventory position as at the Valuation Date amounted to 10,770 dmt. We performed a valuation of the inventory using the net realisable value ("**NRV**") method.

Net realisable value

Under the NRV method, the fair value of an asset is estimated by deducting the costs that still have to be incurred to complete the manufacturing and disposal of the asset (as well as the (financing) costs to hold the asset temporarily) from the expected sales price. The valuation logic is that the value of an asset which is expected to be disposed shortly (e.g., inventory) is identical to its net proceeds.

Specifically, the following steps are performed under the NRV method:

- Firstly, the expected sales price is estimated. Consistent with the assumptions in the DCF, we assume a 2.1% ore loss, 9.5% ore dilution, a gold grade of 4.2 g/dmt, and a silver grade of 12.6 g/dmt. Based on these assumptions, the expected amount of gold and silver to be recovered from the ore in inventory are 1,288 oz and 3,852 oz, respectively.

  The gold price of 1,096 $/oz and silver price of 14 $/oz are based on the prevailing price as at the Valuation Date, discounted by 40% as the ore is sold to the third-party processor, Arjut Gold Ore Processing Plant.

  The above assumptions yield an expected sales price of inventory of $1.5m.
- Subsequently, the NRV is estimated by deducting the costs to dispose the asset from the expected sales price. We assume that the disposal costs are negligible.
- The holding costs are then deducted to account for the financing costs related to holding the asset and receiving the proceeds after completion of the disposal. We assume that the holding costs are negligible.

Conclusion

Based on the analysis performed and the assumptions detailed above, the fair value of the inventory is estimated to be $1.5m. Using the £/$ foreign exchange spot rate as at the Valuation Date, we arrive at a fair value of £1.2m.

Inventory Valuation

	Notes	Amount
Inventory balance	dmt	10,770
Recovered gold from ore	g	40,064
Recovered silver from ore	g	119,810
Gold price (Valuation Date)	USD/oz	1,826
Silver price (Valuation Date)	USD/oz	24
Price discount (Gold grade >= 3 g/t)		*40%*
Gold price after discount	USD/oz	1,096
Silver price after discount	USD/oz	14
Expected sales price	$m	**1.5**
Less: Disposal costs	$m	-
Net realisable value	$m	**1.5**
Less: Holding costs	$m	-
Indicated fair value	$m	**1.5**
£/$ FX rate		0.83
Indicated fair value	£m	**1.2**

Source: Management information, AMC Report, Capital IQ, and A&M workings.

Appendix

A – Assumptions and Limiting Conditions

B – Principal Sources of Information

C – Schedules

D – A&M Engagement Team

E – About Alvarez & Marsal

Appendix A – Assumptions and Limiting Conditions

Appendix A
Assumptions and limiting conditions (1)

1. The primary assumptions and limiting conditions pertaining to the value estimate conclusion(s) stated in this Report are summarised below. Other assumptions are highlighted elsewhere in this Report.
2. The conclusion of value arrived at herein pertains only to the subject interests in the Company, the stated value standard, as of the stated Valuation Date, and only for the stated Valuation Analysis purpose(s).
3. Information provided by the Company, in the course of this engagement, has been accepted without any verification as fully and correctly reflecting the enterprise's business conditions and operating results for the respective periods, except as specifically noted herein. A&M has not audited, reviewed, or compiled the financial information provided to us and, accordingly, we express no audit opinion or any other form of assurance on this information.
4. Public information and industry and statistical information have been obtained from reputable sources we believe to be reliable. However, we make no representation as to the accuracy or completeness of such information and have performed no procedures to corroborate the information.
5. In carrying out our work we review the information made available to us by the Company and other publicly available information sources that we considered appropriate. Further, our Valuation Analysis is dependent on certain statements, estimates and assumptions (collectively "**Estimates**") provided by the Company with respect to anticipated future performance. Such Estimates reflect various assumptions concerning anticipated results and are subject to significant business, economic and competitive uncertainties and contingencies, many of which are or may be beyond the control of the Company. Accordingly, there can be no assurance that such Estimates will be realised. The actual results may vary from those estimates or projected, and those variations may be material. Such Estimates are the sole responsibility of the Company and we accept no responsibility for them, or for their ultimate accuracy and realisation.
6. This Report and the conclusion of values arrived at herein are for the exclusive use of the Company for the sole and specific purposes as noted herein. The Report is not to be referred to, relied upon, or distributed to anyone outside of the Company and APG without the prior written consent of A&M, with the exception that the Company may disclose the Report to its auditor for review consistent with the purpose and intended use of the Report.
7. A&M will not provide consent to be a named expert in any filings, including, without limitation, any filings with the Financial Conduct Authority ("**FCA**"), U.S. Securities and Exchange Commission ("**SEC**") under the Securities Act of 1933 or the Securities Exchange Act of 1934, as amended.
8. The Report and conclusion of value (if any) are not intended by the author and should not be construed by the reader to be investment advice in any manner whatsoever. The conclusion of value (if any) represents the considered opinion of A&M, based on information furnished to them by the Company or other sources.
9. Neither all nor any part of the contents of this Report (especially the conclusion of value, the identity of any specialist(s), or the firm with which such specialists are connected or any reference to any of their professional designations) should be disseminated to the public through advertising media, public relations, news media, sales media, mail, direct transmittal, or any other means of communication, including but not limited to the FCA, SEC or other governmental agency, without the prior written consent and approval of A&M, as mentioned in this Report or by other communications.
10. Future services regarding the subject matter of this Report, including, but not limited to testimony or attendance in court, shall not be required of A&M unless previous arrangements have been made in writing.

Appendix A
Assumptions and limiting conditions (2)

11. A&M is not an environmental consultant or auditor, and it takes no responsibility for any actual or potential environmental liabilities. Any person entitled to rely on this Report, wishing to know whether such liabilities exist, or the scope and their effect on the value of the property, is encouraged to obtain a professional environmental assessment. A&M does not conduct or provide environmental assessments and has not performed one for the subject property.
12. No change of any item in this appraisal Report shall be made by anyone other than A&M, and we shall have no responsibility for any such unauthorized change.
13. Except as noted, we have relied on the representations of the owners, management, and other third parties concerning the value and useful condition of all equipment, real estate, investments used in the business, and any other assets or liabilities, except as specifically stated to the contrary in this Report. We have not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances or that the entity has good title to all assets.
14. Unless otherwise stated in the Report, the Valuation Analysis of the business or assets has not considered or incorporated the potential economic gain or loss resulting from contingent assets, liabilities or events existing as of the respective Valuation Date.
15. We have no responsibility or obligation to update this Report for events or circumstances occurring subsequent to the date of this Report.
16. We would stress that whilst our Valuation Analysis represents what we consider to be both a reasonable and defensible estimate of the market value, all Valuation analyses are of necessity subjective and reflect the judgments of the valuer. Accordingly, we can accept no responsibility for any additional tax that may become payable in the event that a different price is ultimately agreed or finally determined. Any advice you may require from us in connection with the negotiation of an agreed value with the auditor would be the subject of a separate engagement.
17. Unless stated otherwise in this Report, we express no opinion as to: 1) the tax consequences of any transaction which may result, 2) the effect of the tax consequences of any net value received or to be received as a result of a transaction, and 3) the possible impact on the market value resulting from any need to effect a transaction to pay taxes.

Appendix B – Principal Sources of Information

Appendix B
Principal sources of information

Management information

- General information
  - *4_Description of the transaction for Alvarez.docx*
  - *IMC Exploration Letter to AM_21 February 2023 (002).docx*
  - *Karaberd Mine Report_United Nations_Feb 2014.pdf*
  - *3_Karabred - EY - Mining Permit Valuation Report 1221*
- Balance sheet and income
  - *Assat Balance sheet FINAL.xlsx*
  - *MVI Ireland FS as at 31 December 2022 incl. Auditors report signed_v1*
- Financial projections
  - *Assat_Master Model_08.03.2023.xlsx*
  - *Mining value analysis Model as at 30.06.2022_v02.xlsx*
  - *Royalty formula.docx*
- Resource estimates
  - *AMC222114 Karaberd Gold Mineral Resource Estimate Report 230201.pdf*
- Q&A files
  - *Qs with responses_r01.xlsx*
  - *Qs with responses_r01 response_AM 20221220.xlsx*
  - *Qs with responses_r02.xlsx*

Publicly available information

- Industry classifications: CIM Definition Standards for Mineral Resources & Mineral Reserves, 19 May 2014
- Comparable companies' information: S&P Capital IQ; peers' websites
- General economic data: S&P Capital IQ
- Industry betas, industry leverage, and country risk premium: Damodaran - https://www.stern.nyu.edu/~adamodar/New_Home_Page/data.html
- Equity market risk premia: KPMG study 2022
- Size premia: Kroll's 2022 Cost of Capital Navigator

Appendix C – Schedules

Appendix C
Schedule 1 – Balance Sheet

Balance Sheet

As of 31 December 2022	Classification	In €'k	In $'k
Assets			
Property and equipment	TFA	2	2
Mining license	IA	3,880	4,147
Non-current assets		**3,882**	**4,149**
Inventories	NWC	283	302
Trade and other receivables	NWC	1,410	1,507
Cash and bank balances	ND	57	61
Current assets		**1,750**	**1,870**
Total assets		**5,632**	**6,019**
Equity and liabilities			
Share capital	EQ	1	1
Other capital funds	EQ	3,810	4,072
Accumulated profit /- loss	EQ	(772)	(825)
Foreign currency translation reserve	EQ	1,591	1,700
Capital and reserves		**4,630**	**4,948**
Loans and borrowings	ND	30	32
Asset retirement obligation	ND	29	31
Deferred tax liability	DTA/DTL	541	578
Non-current liabilities		**600**	**641**
Trade and other payables	NWC	402	430
Current liabilities		**402**	**430**
Total equity and liability		**5,632**	**6,019**

Condensed Balance Sheet

As of 31 December 2022	Classification	In €'k	In $'k
Tangible fixed assets	TFA	2	2
Intangible assets	IA	3,880	4,147
Net working capital	NWC	1,291	1,380
Deferred tax	DTA/DTL	(541)	(578)
Capital employed		**4,632**	**4,950**
Equity	EQ	4,630	4,948
Net debt	ND	2	2
Invested capital		**4,632**	**4,950**

Footnotes:

Source: MVI Ireland s.r.o. 31 December 2022 consolidated balance sheet (audited by Grant Thornton Audit s.r.o.).

Appendix C
Schedule 2 – AMC Mineral Resource Estimate Report

AMC Mineral Resource Estimate Report

Oxidation	Classification	Tonnes	Au		Ag	
		kt	g/t	koz	g/t	koz
Oxidized	Indicated	450	4.2	60	9	130
	Inferred	190	4.0	20	10	60
	Total	640	4.1	90	9	200
Fresh	Indicated	560	5.1	90	11	200
	Inferred	440	4.9	70	12	170
	Total	1,000	5.0	160	12	370
Total	Indicated	1,020	4.7	150	10	330
	Inferred	630	4.6	90	12	240
	Total	1,640	4.7	250	11	570

Footnotes:

Source: AMC222114 Karaberd Gold Mineral Resource Estimate Report 230201.

Appendix C
Schedule 3 – Discounted Cash Flow ("DCF") Analysis (1/2)

Discounted Cash Flow ("DCF") Analysis

Year ended 31 December (in $'m)	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F
Total revenue	**20.4**	**33.2**	**30.6**	**30.3**	**30.3**	**30.3**	**30.3**	**30.3**	**30.3**	**30.3**	**30.3**
Annual growth %	*n.a.*	*62.5%*	*(8.0%)*	*(0.7%)*	-	-	-	-	-	-	*(0.2%)*
Total extraction costs	(3.8)	(3.9)	(8.7)	(9.2)	(9.4)	(9.5)	(9.7)	(9.9)	(10.1)	(10.4)	(10.5)
Transportation Service costs	(1.5)	(1.6)	(1.6)	(1.7)	(1.7)	(1.7)	(1.8)	(1.8)	(1.8)	(1.8)	(1.9)
License fee (state duty)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Total costs on the community socio-economic development	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Total mine closing costs	-	-	-	-	-	-	-	-	-	-	(0.0)
Operating lease payment	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)
Ore processing	-	(6.1)	(5.8)	(5.8)	(5.8)	(5.8)	(5.8)	(5.8)	(5.8)	(5.8)	(5.8)
Cost of goods sold	(6.0)	(12.2)	(16.8)	(17.3)	(17.5)	(17.7)	(17.9)	(18.1)	(18.4)	(18.6)	(18.8)
As % of revenue	*(29.2%)*	*(36.6%)*	*(54.9%)*	*(56.9%)*	*(57.6%)*	*(58.3%)*	*(59.0%)*	*(59.8%)*	*(60.6%)*	*(61.3%)*	*(62.2%)*
Gross profit	**14.5**	**21.0**	**13.8**	**13.1**	**12.9**	**12.7**	**12.4**	**12.2**	**12.0**	**11.7**	**11.5**
As % of revenue	*70.8%*	*63.4%*	*45.1%*	*43.1%*	*42.4%*	*41.7%*	*41.0%*	*40.2%*	*39.4%*	*38.7%*	*37.8%*
Operating expenses	(0.3)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
As % of revenue	*(1.3%)*	*(1.3%)*	*(1.3%)*	*(1.3%)*	*(1.3%)*	*(1.3%)*	*(1.3%)*	*(1.3%)*	*(1.3%)*	*(1.3%)*	*(1.3%)*
EBIT	**14.2**	**20.6**	**13.4**	**12.7**	**12.5**	**12.3**	**12.0**	**11.8**	**11.6**	**11.3**	**11.1**
As % of revenue	*69.5%*	*62.1%*	*43.8%*	*41.8%*	*41.1%*	*40.4%*	*39.7%*	*38.9%*	*38.2%*	*37.4%*	*36.5%*
Tax loss carry forwards	(0.6)	-	-	-	-	-	-	-	-	-	-
EBT after tax loss carry forwards	**13.6**	**20.6**	**13.4**	**12.7**	**12.5**	**12.3**	**12.0**	**11.8**	**11.6**	**11.3**	**11.1**
As % of revenue	*66.5%*	*62.1%*	*43.8%*	*41.8%*	*41.1%*	*40.4%*	*39.7%*	*38.9%*	*38.2%*	*37.4%*	*36.5%*
Total royalty charge	-	(5.7)	(3.8)	(3.7)	(3.6)	(3.6)	(3.5)	(3.4)	(3.4)	(3.3)	(3.3)
As % of revenue	-	*(17.3%)*	*(12.6%)*	*(12.1%)*	*(11.9%)*	*(11.7%)*	*(11.5%)*	*(11.3%)*	*(11.1%)*	*(10.9%)*	*(10.7%)*
Taxable income	**13.6**	**14.9**	**9.5**	**9.0**	**8.9**	**8.7**	**8.5**	**8.4**	**8.2**	**8.0**	**7.8**
As % of revenue	*66.5%*	*44.8%*	*31.2%*	*29.7%*	*29.2%*	*28.7%*	*28.1%*	*27.6%*	*27.0%*	*26.4%*	*25.8%*
Total calculated taxes	(2)	(3)	(2)	(2)	(2)	(2)	(2)	(2)	(1)	(1)	(1)
As % of EBIT	*(17.2%)*	*(13.0%)*	*(12.8%)*	*(12.8%)*	*(12.8%)*	*(12.8%)*	*(12.8%)*	*(12.8%)*	*(12.7%)*	*(12.7%)*	*(12.7%)*
Net operating profit after taxes (NOPAT)	**11.8**	**12.2**	**7.8**	**7.4**	**7.3**	**7.1**	**7.0**	**6.9**	**6.7**	**6.6**	**6.4**
As % of revenue	*57.5%*	*36.8%*	*25.6%*	*24.4%*	*24.0%*	*23.5%*	*23.1%*	*22.6%*	*22.1%*	*21.7%*	*21.2%*

Appendix C
Schedule 3 – Discounted Cash Flow ("DCF") Analysis (2/2)

Discounted Cash Flow ("DCF") Analysis

Year ended 31 December (in $'m)	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F
Net operating profit after taxes (NOPAT)	**11.8**	**12.2**	**7.8**	**7.4**	**7.3**	**7.1**	**7.0**	**6.9**	**6.7**	**6.6**	**6.4**
As % of revenue	*57.5%*	*36.8%*	*25.6%*	*24.4%*	*24.0%*	*23.5%*	*23.1%*	*22.6%*	*22.1%*	*21.7%*	*21.2%*
Cash flow adjustments:											
Depreciation	-	-	-	-	-	-	-	-	-	-	-
Capital expenditures	-	-	-	-	-	-	-	-	-	-	-
Net working capital changes	(1.2)	(0.9)	0.1	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	1.8
Free cash flows to firm (FCFF)	**10.5**	**11.3**	**7.9**	**7.4**	**7.2**	**7.1**	**7.0**	**6.8**	**6.7**	**6.5**	**8.2**
Discount period	0.500	1.500	2.500	3.500	4.500	5.500	6.500	7.500	8.500	9.500	10.500
Present value factor at discount rate of 13.2%	0.940	0.830	0.733	0.648	0.572	0.506	0.447	0.395	0.349	0.308	0.272
PV of FCFF	**9.9**	**9.4**	**5.8**	**4.8**	**4.1**	**3.6**	**3.1**	**2.7**	**2.3**	**2.0**	**2.2**

Enterprise Value ($'m)	**49.9**
Minus: Net debt	(0.0)
Equity Value before ARO reserve ($'m)	**49.9**
Minus: ARO reserve (Asset retirement obligation)	(1.0)
Equity Value ($'m)	**48.9**
£/$ FX rate	0.83
Equity Value (£'m)	**40.6**

Footnotes:

Source: Management business plan and A&M analysis.

Appendix C
Schedule 4 – Weighted Average Cost of Capital ("WACC") Analysis

Weighted Average Cost of Capital (WACC)				
Parameters	**Notes**	**Low**	**High**	**Sources and notes**
Risk-free rate (Rf)		3.9%	3.9%	Yield to maturity of 10Y USD government bonds as of the Valuation Date
Unlevered beta (Bu)		0.99	1.10	Industry beta based on Damodaran data; Global precious metal (low case) and metals and mining (high case) companies
Leverage (ND/E)		14.7%	26.0%	Industry ND/E ratio based on Damodaran data; Global precious metal (low case) and metals and mining (high case) companies
Tax rate (T)		18.0%	18.0%	Armenia corporate tax rate as of the Valuation Date
Levered beta (Bl)		1.11	1.33	Bu x (1+ND/E x (1-T))
Equity market risk premium (EMRP)		5.75%	5.75%	Our estimate of the equity market risk premium is based on a KPMG study about this topic for Q4 2022
Country risk premium (CRP)		0.0%	1.8%	For the high case, country risk premium for Armenia, based on Damodaran, adjusted downwards by 50% to reflect the minimum coutnry risk on the demand side
Small company premium (SCP)		3.0%	3.0%	Kroll's 2022 Cost of Capital Navigator: Micro Decile
Cost of equity (Re)		**13.3%**	**16.3%**	**Re = Rf + Bl x EMRP + CRP + SCP**
Re Midpoint (rounded)		**13.3%**	**16.3%**	
Risk free rate (Rf)		3.9%	3.9%	Yield to maturity of 10Y USD government bonds as of the Valuation Date
Spread (S)		1.8%	1.8%	Spread based on 10Y USD Materials bond index at BBB credit rating
Country risk premium (CRP)		0.0%	1.8%	For the high case, country risk premium for Armenia, based on Damodaran, adjusted downwards by 50% to reflect the minimum coutnry risk on the demand side
Pre-tax cost of debt		5.7%	7.4%	Rf + S
Tax rate (T)		18.0%	18.0%	Armenia corporate tax rate as of the Valuation Date
Post-tax cost of debt (Rd)		**4.6%**	**6.1%**	**Rd = (Rf + S + CRP) x (1 - T)**
WACC calculation:				
Net debt % of capital (Wd)		12.8%	20.6%	
Cost of debt (Rd)		4.6%	6.1%	
Weighted cost of debt		**0.6%**	**1.3%**	Wd x Rd
Equity % of capital (We)		87.2%	79.4%	
Cost of equity (Re)		13.3%	16.3%	
Weighted cost of equity		**11.6%**	**13.0%**	We x Re
Weighted average cost of capital		**12.2%**	**14.2%**	Wd x Rd + We x Re
WACC Midpoint (rounded)		**13.2%**		WACC midpoint, rounded to nearest 0.1%

Footnotes:

Source: S&P Capital IQ as of 31/12/2022 and A&M analysis.

Appendix C
Schedule 5 – Beta Analysis

Beta & Gearing Estimates
In $'m

#	Company	Currency	Market Cap.	Enterprise Value	ND/E 2Y (1)	ND/E 5Y (1)	Country	Tax rate (1)	2Y Beta (3) L. Beta	2Y Beta (3) U. Beta	2Y Beta (3) R2 (3)	2Y Beta (3) Include (4)	5Y Beta (2) L. Beta	5Y Beta (2) U. Beta	5Y Beta (2) R2 (3)	5Y Beta (2) Include (4)
	Early-stage Gold Mines															
1	Orezone Gold Corporation	USD	312	409	n.a.	n.a.	Canada	27%	1.17	n.a.	9.9%	X	0.74	n.a.	5.1%	X
2	Calidus Resources Limited	USD	80	141	25.6%	12.8%	Australia	30%	1.27	1.08	14.1%	✓	0.75	n.a.	6.2%	X
3	Resolute Mining Limited	USD	289	424	62.9%	34.5%	Australia	30%	0.88	n.a.	6.5%	X	0.71	n.a.	5.9%	X
4	Robex Resources Inc.	USD	218	220	0.4%	25.6%	Canada	27%	0.57	n.a.	2.5%	X	0.16	n.a.	0.3%	X
5	Fortitude Gold Corporation	USD	132	91	0.0%	0.0%	United States	27%	0.27	n.a.	1.4%	X	0.00	n.a.	0.0%	X
6	Thor Explorations Ltd.	USD	119	164	25.3%	12.7%	Canada	27%	1.39	1.17	10.5%	✓	1.29	1.18	10.5%	✓
7	Galiano Gold Inc.	USD	120	65	n.a.	n.a.	Canada	27%	1.30	n.a.	13.0%	✓	0.70	n.a.	5.6%	X
8	Chaarat Gold Holdings Limited	USD	90	129	33.1%	24.6%	Kyrgyzstan	10%	0.09	n.a.	0.1%	X	0.62	n.a.	7.5%	X
9	Novo Resources Corp.	USD	54	- 3	0.0%	0.0%	Canada	27%	0.93	n.a.	5.6%	X	1.32	1.32	14.3%	✓
10	Cerrado Gold Inc.	USD	51	74	23.3%	23.3%	Canada	27%	0.66	n.a.	2.0%	X	0.00	n.a.	0.0%	X
11	Scotgold Resources Limited	USD	42	58	22.7%	13.0%	Australia	30%	0.62	n.a.	3.5%	X	0.18	n.a.	0.2%	X
12	Endomines Finland Oyj	USD	50	66	23.0%	34.2%	Finland	20%	0.54	n.a.	3.7%	X	0.40	n.a.	1.7%	X
13	Galantas Gold Corporation	USD	37	38	18.2%	18.0%	Canada	27%	1.93	n.a.	6.3%	X	3.07	2.71	22.0%	✓
14	Wilton Resources Corporation Limited	USD	41	63	61.9%	39.9%	Singapore	17%	(0.04)	n.a.	0.0%	X	0.76	n.a.	5.8%	X
15	Akobo Minerals AB (publ)	USD	29	28	n.a.	n.a.	Sweden	21%	0.01	n.a.	0.0%	X	0.00	n.a.	0.0%	X
16	Gowest Gold Ltd.	USD	13	14	62.4%	55.8%	Canada	27%	(0.69)	n.a.	1.1%	X	0.73	n.a.	2.3%	X
17	Sihayo Gold Limited	USD	4	- 13	3.2%	2.3%	Australia	30%	0.18	n.a.	0.1%	X	1.41	n.a.	4.0%	X
18	Beacon Minerals Limited	USD	71	64	0.7%	2.4%	Australia	30%	0.45	n.a.	4.9%	X	0.62	n.a.	5.6%	X
	Summary Statistics															
	Lower quartile				1.9%	7.5%				1.10	11.7%			1.25	12.4%	
	Average				24.2%	19.9%				1.13	12.5%			1.74	15.6%	
	Median				**23.0%**	**18.0%**				**1.13**	**13.0%**			**1.32**	**14.3%**	
	Upper quartile				29.4%	29.9%				1.15	13.5%			2.02	18.2%	

Footnotes:
(1) Tax rate is based on the (main) corporate tax rate in the country in which the company is headquartered.
(2) Levered Beta (L. Beta) is the raw beta as per S&P Capital IQ, based on a linear regression of 5-year monthly share price returns against returns of the local stock market index. Unlevered Beta (U. Beta) is derived using the average net debt to equity ratio (ND/E) measured over 5 years.
(3) R-squared descriptives in the summary statistics section only relate to beta estimates included in the analysis (i.e. estimates that meet the R-squared threshold described in the following footnote).
(4) Betas of companies with a R-squared statistic of less than 10.0% are excluded.
Source: S&P Capital IQ as of 31/12/2022 and A&M analysis.

Appendix C
Schedule 6 – Small Company Premiums Detail

Small company premiums for 2022

	2022		
	Market Cap. of Smallest Co.	Market Cap. of Largest Co.	Size Prem. Return>CAPM)
Decile Group			
1-2			*0.00%*
Mid	3,281,009	16,738,364	*0.60%*
Low	629,118	3,276,553	*1.22%*
Micro	10,588	627,803	*3.02%*
Breakdown of Deciles 1-10			
1st	36,160,584	2,324,390,219	*(0.22%)*
2nd	16,759,390	36,099,221	*0.43%*
3rd	8,216,356	16,738,364	*0.55%*
4th	5,019,883	8,212,638	*0.54%*
5th	3,281,009	5,003,747	*0.89%*
6th	2,170,315	3,276,553	*1.18%*
7th	1,306,402	2,164,524	*1.34%*
8th	629,118	1,306,038	*1.21%*
9th	290,002	627,803	*2.10%*
10th	10,588	289,007	*4.80%*
Breakdown of the 10th Decile			
10a	190,487	289,007	*3.31%*
10w	251,715	289,007	*2.34%*
10x	190,487	251,505	*4.54%*
10b	10,588	190,440	*7.89%*
10y	127,920	190,440	*6.34%*
10z	10,588	127,729	*11.17%*

Footnotes:

(1) Source: 2022 Cost of Capital Navigator - Kroll (data through 12/31/21).

Appendix D – A&M Engagement Team

Appendix D
Menno Booij

Managing Director, Head of Valuation Services Benelux

Menno Booij is a Managing Director with Alvarez & Marsal and heads the Benelux Valuation Services practice from the Amsterdam office. He brings over 20 years of experience in valuation, M&A advisory and financial modelling.

His primary areas of concentration are valuations for transactions, disputes and restructurings (both financial and tax), valuation for financial reporting purposes (i.e. purchase price allocations and impairment testing under International Financial Reporting Standards, U.S. and Dutch generally accepted accounting principles), as well as financial modelling of business plans and cash flow forecasts related to transactions and carve-outs.

Mr. Booij has worked with clients across a range of industries including: metals & mining, business services, infrastructure, ports, utilities, oil terminals, chemicals, real estate and publishing. In the metals & mining industry, Mr. Booij's experience is:

- Valuation of damages the caused by a temporary blockade of a gold mine in Armenia;
- Purchase price allocation related to the acquisition of the Tennessee zinc mine complex by Nyrstar;
- Purchase price allocation related to the acquisition of the Coricancha mine by Nyrstar;
- Purchase price allocation related to the acquisition of two Siberian coal mines by ArcelorMittal;
- Purchase price allocation of Sicartsa (Mexico) related to the $1.4bn acquisition by ArcelorMittal;
- Valuation of ca.1,200 legal entities of ArcelorMittal related to a tax restructuring;
- Purchase price allocation of Arcelor related to the €26.5bn acquisition by Mittal Steel.

Mr. Booij has broad international valuation experience having served clients, corporates and private equity firms, and valued companies across Europe, the U.S., the Middle East, Central America and South America. Mr. Booij has valued numerous intellectual property assets including brands and trade names, patents and technology, software, and customer contracts and relationships.

Prior to joining A&M, Mr. Booij spent nearly seven years with PwC in their Valuations team in the Netherlands, where he served as a Director. During his time at PwC, Mr. Booij spent most of his time working on financial modeling engagements and valuations for financial reporting (purchase price allocations and impairment testing). Prior to his time at PwC, Menno worked seven years at Duff & Phelps in their Valuation Advisory team, and nearly five years at KPMG Corporate Finance doing M&A advisory, both out of Amsterdam and in the Netherlands.

Mr. Booij earned a master's degree in financial sector management from Free University Amsterdam. Mr. Booij is fluent in English and Dutch.

mbooij@alvarezandmarsal.com

Alvarez & Marsal Benelux B.V.
WTC, H-Tower, 14th floor
Zuidplein 118
1077 XW Amsterdam
The Netherlands

Direct: +31 20 767 1107
Mobile: +31 6 2013 3690

Appendix D
Kirill Anurov

Senior Director, Disputes and Investigations

Kirill Anurov is a Senior Director in Alvarez & Marsal Disputes and Investigations practice in London. He specialises in expert accounting and valuation services. Mr Anurov brings over 14 years of specialist experience across financial advisory, valuation and forensic accounting, spanning several sectors, including Mining, Energy, Infrastructure and TMT.

He has assisted testifying experts acting in arbitration proceedings under ICC, LCIA, LMAA, and ICSID rules.

His recent experience in the area of Russia and other CIS countries includes:

- acting for a defendant in LCIA proceedings in the context of recovery of a $300 million loan facility provided to a group of mining companies in the former USSR;
- assisting an LSE-listed business with pre-transaction scenario analysis of EBITDA multiples applicable in the context of an acquisition;
- preliminary investment opinion for a family office looking to invest into a non-conventional Energy holding in the US;
- advising an LSE-listed company on the purchase price and negotiation tactics in the acquisition of a European manufacturer of Engineering equipment;
- Value of the technological intellectual property (IP) owned by a private company in the UK aiming to attract new investment, to support its expansion to the Oil & Gas services markets.

Prior to joining Alvarez & Marsal, Mr Anurov spent five years in Deloitte's U.K. Forensic practice in London, and before that he was with Navigant Consulting in London, where he focused on contentious and non-contentious valuations. Prior to that, he had spent several years with a valuation practice in the City of London, where he specialised in valuation for financial reporting requirements (acquisitions and impairment reviews) under IFRS and US GAAP, and assisted clients with transaction valuation advice.

Mr Anurov is a Chartered Financial Analyst (CFA), chartered certified accountant (ACCA), and holds associate membership with the Chartered Institute of Arbitrators (CIArb). He speaks native Russian and has knowledge of German language.

kanurov@alvarezandmarsal.com

Park House,
16-18 Finsbury Circus
London EC2M 7EB

+44 (0)20 7071 9489
+44 (0)777 671 1008

Appendix D
Richard Bibby

Managing Director, Head of European Valuation & Business Modelling Services

Richard is the head of A&M's European Valuation Services practice and has approaching 25 years valuation experience across all sectors and industries.

Richard has worked on a variety of valuation assignments, principally focused on advice to the asset management and wider financial services sector, in particular to private equity, infrastructure, real estate, corporate asset management firms and European-based banking groups. Richard has advised family offices of the value of their portfolios and valued simple and complex financial instruments for commercial and financial reporting purposes.

Richard has been responsible for:

- Many financial reporting and tax related valuations and opinions across all sectors, including Business Combinations (IFRS 3 / ASC 805 / FRS 102), impairment testing, investment fair value reporting, share option related valuations and related tax valuation advice;
- Valuations of intellectual property and intangible assets in the context of financial reporting, M&A advisory and tax structuring;
- Valuations of businesses for financial restructuring purposes;
- Investment portfolio valuations in particular to infrastructure, private equity, hedge and real estate investors;
- In terms Fairness opinions and other mergers & acquisitions related valuations; and
- Reports in cases of expert witness, disputes and determination.

In terms of key projects, Richard has worked on the following:

- Valuation services in connection with the financial restructuring of Prezzo;
- Valuation services in connection with the MBO of Pizza Hut;
- Valuation services in connection with the financial restructuring of New Look;
- Valuation services in connection with the acquisition of Sergio Rossi by Investindustrial;
- Valuation services in connection with the acquisition of Bollé by A&M Capital;
- Valuation services in connection with the acquisition of Bodeboca by Pernod Ricard;
- Valuation of equity in Paperchase management incentive purposes;
- Valuation of a confidential Nordic building supplies business for the purposes of a bolt-on acquisition;
- Valuation services to Coats Plc for the purposes the acquisition of Threadsol;
- Valuation services in connection with the acquisition of Meadow Foods by Paine Schwartz;

Richard joined A&M in 2014 and was previously a senior Director in the Corporate Finance valuation group at Deloitte helping to establish and lead their portfolio valuation group. He is a member of the Chartered Institute for Securities & Investment and the Chartered Institute of Taxation and is an alumnus of Imperial College London.

rbibby@alvarezandmarsal.com

Park House,
16-18 Finsbury Circus
London EC2M 7EB

Direct: +44 (0) 20 7715 5254
Mobile: +44 (0) 7799 061 330

Appendix E – About Alvarez & Marsal

Appendix F
Alvarez & Marsal: Global Reach

For more than three decades, Alvarez & Marsal has set the standard for helping organisations tackle complex business issues, boost operating performance and maximize stakeholder value.

7,000+ Employees

5 Continents

35+ Years

70+ Offices

30+ Countries

NORTH AMERICA

New York (Global HQ)

- Atlanta
- Birmingham
- Boston
- Calgary
- Charlotte
- Chicago
- Dallas
- Denver
- Detroit
- El Segundo
- Greenwich
- Houston
- Kansas City
- Los Angeles
- Miami
- Morristown
- Nashville
- Philadelphia
- Phoenix
- San Antonio
- San Francisco
- San Jose
- Scottsdale
- Seattle
- Tampa
- Toronto
- Vancouver
- Washington, D.C.

EUROPE AND THE MIDDLE EAST

London (Europe HQ)

- Abu Dhabi
- Amsterdam
- Athens
- Birmingham
- Cayman Islands*
- Dubai
- Dublin
- Dusseldorf
- Edinburgh
- Frankfurt
- Geneva
- Glasgow
- Helsinki
- Hamburg
- Kiev
- Leeds
- Madrid
- Manchester
- Milan
- Munich
- Oslo
- Paris
- Prague
- Riyadh
- Stockholm
- Tashkent
- Warsaw
- Zürich

LATIN AMERICA

São Paulo (Latin America HQ)

- Belo Horizonte
- Bogota
- Mexico City
- Rio de Janeiro

AUSTRALIA

- Melbourne
- Perth
- Sydney

ASIA

Hong Kong (Asia HQ)

- Beijing
- Bengaluru
- Jakarta
- Kuala Lumpur
- Mumbai
- New Delhi
- Seoul
- Shanghai
- Singapore

* The Cayman Islands office works with and strengthens our UK insolvency practice.

Appendix F

A&M Capabilities

A&M brings operating and management expertise combined with top-tier consulting and specialized industry experience to meet the changing needs of companies and investors.

Corporate Performance Improvement

- CFO Services
- Corporate Transformation
- Human Capital
- Growth & Customer Experience
- Merger, Acquisition & Divestiture
- Supply Chain Services
- Technology Services

Private Equity Services

- Integrated Due Diligence
- Divestiture Services
- Global Transaction Advisory
- Portfolio Company Performance Improvement
- Services for the Indian Market

Restructuring & Turnaround

- Corporate Finance
- Claims Management Services
- Creditor Advisory
- Fiduciary Services
- Interim & Crisis Management
- Insolvency
- Restructuring Advisory

Tax

- Federal
- State & Local
- International
- Transfer Pricing
- Research Credits & Incentives
- Global Transaction Tax Advisory
- Merger Integration
- Private Client Services
- Compensation & Benefits
- Sales & Use
- Real Estate
- Income Tax Accounting
- UK Tax

Disputes & Investigations

- Disputes
- Investigations
- Forensic Technology
- Real Estate & Environmental Economics
- Compliance & Anti-Corruption
- Fiduciary Services
- Cyber Risk
- Financial Crimes & Investigations

Valuation

- Complex Financial Instruments
- Financial & Tax Reporting Valuation
- Litigation & Dispute Valuation
- Portfolio Valuation & Advisory Services
- Structured Finance & Capital Equipment
- Transaction Opinions

Regulatory & Risk Advisory

- Banking
- Corporate Risk Management
- Diversified Financials
- Global Cyber Risk Services
- Insurance Regulatory