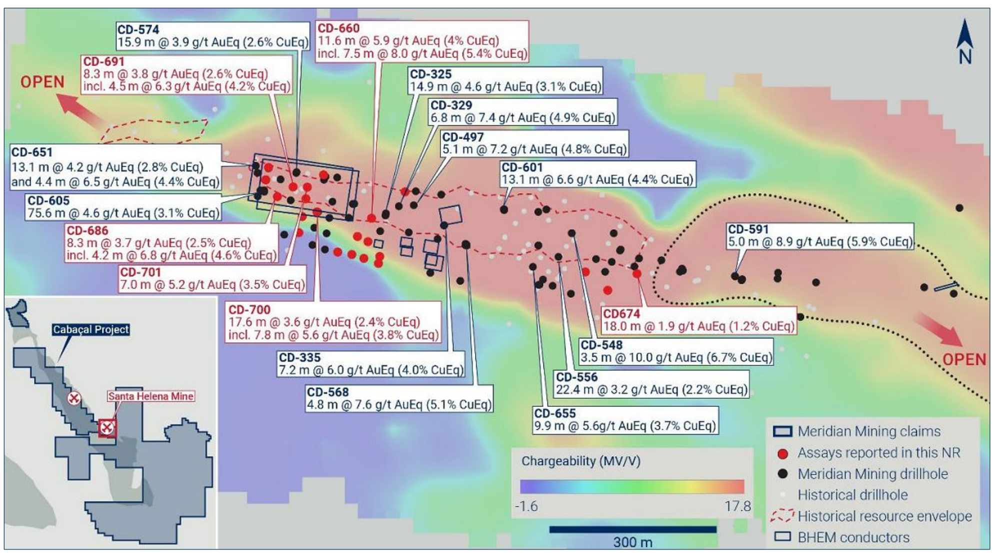
SCP EQUITY RESEARCH

Meridian Mining, 10 June 2025

Ticker: MNO CN	**SCPe PF cash:** US$31m	**Project**: Cabaçal
Market cap: C$281m	**Price:** C$0.80/sh	**Country:** Brazil
REC. (unc): BUY	*TARGET (unc): C$2.70/sh*	*RISK RATING (unc): HIGH*

*Recall Meridian is advancing its flagship Cabaçal PFS level open pit project (141koz pa @ US$742/oz AuEq) towards DFS and shovel readiness in 2026. Today's results come from the Santa Helena target (Meridian's guided 306-763koz @ 3.0-3.2g/t AuEq potential) located ~10km away ahead of its maiden resource targeted for 2H25. Drilling across the eastern and western sectors of the deposit returned an average of **10m @ 1.56g/t AuEq (1.05% CuEq)** across 22 holes – an improvement over the previously reported 12.7m @ 1.4g/t AuEq (0.95% CuEq). Big picture, we think Santa Helena represents meaningful upside that is not yet priced in, with drilling progress supporting its potential integration into a broader development plan. Moreover, while earlier stage, Santa Fé today reported expansion of the IP survey westward and continued stream and soil sampling suggest the anomaly is growing and represents a compelling "cherry on top" for future exploration-led upside in the pipeline. For now, we **maintain BUY rating and C$2.70/sh target price target based on a 0.5x NAV for Cabaçal and US$50/oz for a nominal 500koz at Santa Helena**. With Cabaçal advancing as a de-risked cornerstone, anchoring Meridian's valuation, the district-scale potential is coming into focus. Santa Helena's drilling progress and the expanding Santa Fé anomaly highlight dual-track upside, enhancing M&A appeal through exploration-driven growth. We think this is starting to reflect in the share price, which is up ~30% since the end of May. Even so, with a catalyst-rich roadmap ahead, we see further re-rating opportunities—currently trading at just 0.15x P/NAV versus peers at ~0.5x P/NAV.*

Figure 1: Santa Helena plan view drilling highlights

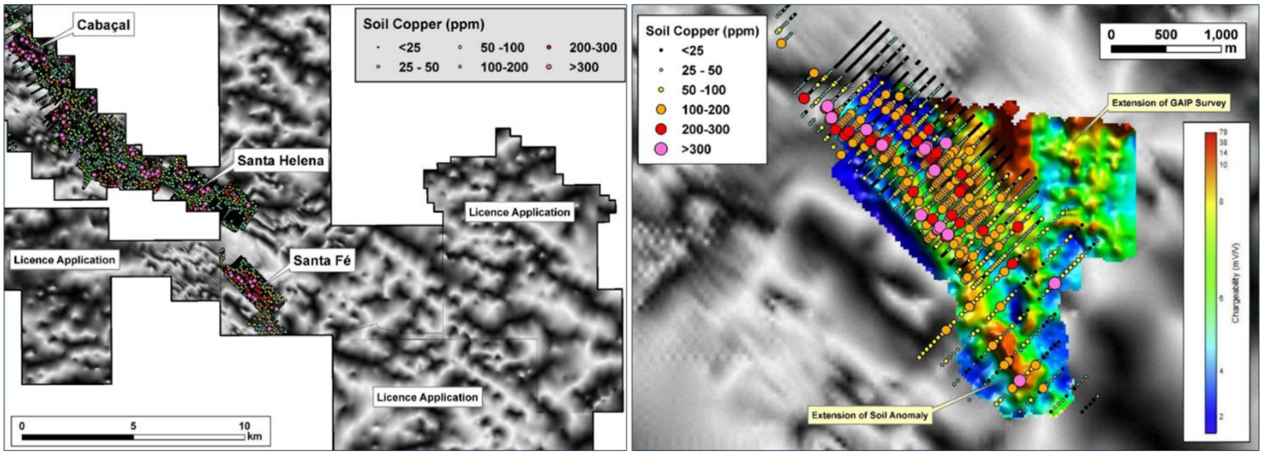


Source: Meridian Mining

Santa Helena drilling hits 11.6m @ 5.9g/t AuEq; Initial drilling underway at new Santa Fé prospect

Today, Meridian announced resource definition infill drill results on the eastern and western sectors of the Santa Helena deposit including some step-outs from the historical resource envelope. A total of 22 holes and 35 hits were reported in today's release highlighting **11.6m @ 5.9g/t AuEq (4.0% CuEq)** incl. **7.5m @ 8.0g/t AuEq (5.4% CuEq)** from **42.0m**, **17.6m @ 3.6g/t AuEq (2.4% CuEq)** incl. **7.8m @ 5.6g/t AuEq (3.8% CuEq)** from **4.6m**, and **8.3m @ 3.8g/t AuEq (2.6% CuEq)** incl. **4.5m @ 6.3g/t AuEq (4.2% CuEq)** from **39.5m**. Additionally, Meridian reported that at Santa Fé, a new target area in the southeast of the Cabaçal Belt first announced in April 2025, reconnaissance programs have been expanded through the westward extension of the induced polarization (IP) survey, alongside ongoing stream and soil geochemical sampling - expanding the footprint of the previously reported soil anomaly. Next steps: Shallow reconnaissance drilling is now underway at Santa Fé to test emerging geophysical anomalies, while resource definition drilling continues at Santa Helena to support a maiden mineral resource estimate planned for later this year. Results from all ongoing drill programs, including Cabaçal, are pending.

Figure 2: Santa Fé (A) plan view showing soil anomaly and (B) copper-in soil geochemical response



Source: Meridian Mining

Why we like Meridian

1. Low cost, low strip 141koz pa open-pittable project on infrastructure in 'quick to permit' Brazil
2. Larger 4.5Mtpa staged build enables early cash flow funding and increased M&A appeal
3. Upside optionality through Santa Helena Exploration Target of 306-763koz @ 3.0-3.2g/t AuEq

Catalysts

- 1Q25: Extension and infill drill program and metallurgical program
- 2H25: Maiden Santa Helena MRE and preliminary license
- 1H26: Cabaçal DFS (potential inclusion of Santa Helena) and permitting progress
- 2H26: FID and construction

Research

Brandon Gaspar (Toronto) m +1 437 533 3142 bgaspar@scp-rf.com
Omeet Singh (Toronto) m +1 647 527 7509 osingh@scp-rf.com
Moatasm Almaouie (Toronto) m +1 780 299 5151 malmaouie@scp-rf.com

Ticker:	MNO CN	Price, MC:	C$0.8/sh, C$281m	Project PNAV today:	0.15x	Asset:	Cabaçal
Author:	B Gaspar	Rec, 0.5xNAV PT:	BUY, C$2.7/sh	1xNAV$_{2Q25}$ FF FD:	C$4.23/sh	Country:	Brazil

Commodity price	CY24A	CY25E	CY26E	CY27E
Copper price	9,323	9,319	9,080	8,930
Gold price	2,387	3,136	3,114	3,008
Silver price	29	32	34	35

SOTP *project* valuation*	US$m	O/ship	NAVx	C$/sh
Cabaçal NPV ungeared @ build start 1Q26	1,358	100%	0.50x	2.47
SCPe Santa Helena 500koz @ US$50/oz	25	100%	1.00x	0.09
1Q25 Cash + Raise	31	100%	1.00x	0.11
Cash from ITM options	11	100%	1.00x	0.04
Group NAV5% US$3000/oz	1,425			2.71
**Shares diluted for options mine build*		Market P/NAV$_{5\%\ today}$		0.15x

Company NAV: (US$m, ungeared)*					
Company NAV (C$m)	$2200oz	$2600oz	$3000oz	$3400oz	$3800oz
Discount rate: 10%	806	942	1,078	1,214	1,350
Discount rate: 7%	956	1,113	1,271	1,428	1,585
Discount rate: 5%	1,076	1,251	1,425	1,599	1,773
Ungeared project IRR:	63%	72%	80%	88%	95%
##########################	$2200oz	$2600oz	$3000oz	$3400oz	$3800oz
Discount rate: 10%	1.58	1.83	2.08	2.33	2.57
Discount rate: 7%	1.86	2.14	2.43	2.71	3.00
Discount rate: 5%	2.08	2.39	2.71	3.02	3.34

**Project NPV, ex fin. costs and cent G&A, discounted to build start*

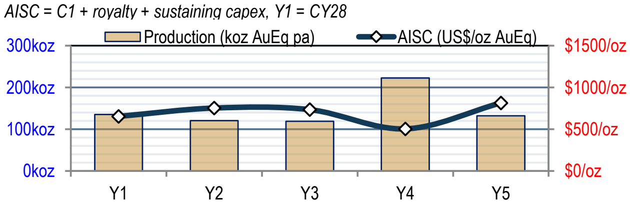
Group NAV over time^	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29
Cabaçal NPV (US$m)	1,326.4	1,393.3	1,615.6	1,800.4	1,634.2
Santa Helena nominal (US$m)	25.0	25.0	25.0	25.0	25.0
G&A and fin. costs (US$m)	(72.6)	(61.4)	(50.3)	(38.9)	(18.3)
Net cash prior qtr (US$m)	17.8	111.0	(21.8)	(160.2)	58.4
Cash from options (US$m)	11.3	11.3	11.3	11.3	11.3
NAV FF FD (US$m)	1,308	1,479	1,580	1,637	1,711
FF FD Shares in issue (m)	*404*	*530*	*530*	*530*	*530*
1xNAV5%/sh FF FD (C$/sh)*	**4.44**	**3.83**	**4.09**	**4.23**	**4.42**

Geared NAV and PT, diluted for build, net G&A and fin. costs^					
NAV at first gold (C$m)	$2200oz	$2600oz	$3000oz	$3400oz	$3800oz
Discount rate: 10%	1,037	1,209	1,380	1,552	1,724
Discount rate: 7%	1,149	1,336	1,524	1,712	1,900
Discount rate: 5%	1,237	1,437	1,637	1,838	2,038
Geared project IRR:	58%	66%	74%	82%	90%
1xNAVPS at first gold (C$/sh)*	$2200oz	$2600oz	$3000oz	$3400oz	$3800oz
Discount rate: 10%	2.68	3.13	3.57	4.01	4.46
Discount rate: 7%	2.97	3.46	3.94	4.43	4.91
Discount rate: 5%	3.20	3.72	4.23	4.75	5.27

*^Project NPV incl grp SG&A & fin. cost, +net cash; *diluted for build equity*

Production	Y1	Y2	Y3	Y4	Y5
Cabaçal production (000oz AuEq	135	121	119	223	132
Cabaçal C1 (US$/oz AuEq)	629	726	706	477	770
Cabaçal AISC (US$/oz AuEq)	653	753	734	503	814

AISC = C1 + royalty + sustaining capex, Y1 = CY28



Source: SCP estimates

Resource / Reserve / Inventory	Tonnes (Mt)	Grade	Ounces	% M&I
Published 1Q25 Cabaçal MRE	52Mt	0.97g/t	1611koz	99%
SCP inventory at SCP LT px	42Mt	1.06g/t	1427koz	

Project: USES		Funding: SOURCES	
Build capex (US$m):	US$248m	Cash + ITM options to 1st prod:	US$42m
Working capital (US$m):	US$27m	SCPe pre-build equity (US$m)	US$15m
G&A + exploration 1st prod.:	US$23m	SCPe build equity (US$m):	US$99m
TOTAL USES:	US$298m	SCPe Debt (US$m):	US$161m
Buffer:	*US$19m*	TOTAL SOURCES:	US$317m

Capital structure	Basic	FD for ITM options	FD for build
Shares out (m)	351.7	377.2	523.5

Ratio analysis (CY to Dec 3	CY24E	CY25E	CY26E	CY27E	CY28E
Average shares out (m)	280.4	362.7	457.7	504.2	504.2
EPS (US$/sh)	-	-	-	-	0.32
CFPS (US$/sh)	-	-	-	-	0.22
EV (US$m)	216.6	269.7	299.5	516.9	406.9
FCF yield (%)	-	-	-	-	27%
PER (x)	-	-	-	-	2.5x
EV/EBITDA (x)	-	-	-	-	1.7

Income statement	CY24E	CY25E	CY26E	CY27E	CY28E
Net revenue (US$m)	-	-	-	-	304.4
COGS (US$m)	-	-	-	-	63.8
Gross profit (US$m)	-	-	-	-	240.6
D&A, attrib (US$m)	0.2	0.2	-	-	20.1
G&A + sh based costs (US$	3.8	5.4	5.4	5.4	5.4
Expln + fin. cost (US$m)	14.2	10.9	6.3	9.5	16.0
Taxes (US$m)	-	-	-	-	36.8
Net income (US$m)	(18.2)	(16.5)	(11.6)	(14.9)	162.2
EBITDA (US$m)	(18.0)	(16.3)	(11.2)	(5.2)	235.3

Cash flow, attrib.	CY24E	CY25E	CY26E	CY27E	CY28E
Add D&A / share bsd (US$m	0.3	0.2	-	-	20.1
Adjust fin. cost (US$m)	0.0	0.0	-	-	-
Change in wkg cap (US$m)	(0.0)	(0.4)	-	-	28.6
Other non-cash (US$m)	5.8	1.0	-	-	(57.1)
Cash flow ops (US$m)	**(12.1)**	**(15.7)**	**(11.6)**	**(14.9)**	**153.8**
PP&E - build + sust. (US$m)	0.1	0.0	41.3	165.3	43.8
PP&E - expl'n (US$m)	0.6	0.0	-	-	-
Cash flow inv. (US$m)	**(0.7)**	**(0.1)**	**(41.3)**	**(165.3)**	**(43.8)**
Share issue (US$m)	14.1	28.5	99.2	-	-
Debt draw (repay) (US$m)	-	-	32.2	129.0	-
Cash flow fin. (US$m)	**14.1**	**28.5**	**131.4**	**129.0**	**-**
Net change in cash (US$m)	1.2	12.7	78.5	(51.3)	110.0

Balance sheet	CY24E	CY25E	CY26E	CY27E	CY28E
Cash (US$m)	7.7	20.5	98.9	47.6	157.6
Acc rec., inv, prepaid (US$m	-	-	-	-	33.6
PP&E + other (US$m)	3.5	3.2	44.6	209.9	233.5
Total assets (US$m)	**11**	**24**	**143**	**258**	**425**
Debt (US$m)	-	-	32.2	161.2	161.2
Accounts payable (US$m)	1.6	2.0	2.0	2.0	7.0
Stream liab / oth (US$m)	0.4	0.4	0.4	0.4	0.4
Total liabilities (US$m)	2.0	2.4	34.6	163.6	168.6
Issued capital (US$m)	152.6	181.2	280.4	280.4	280.4
Retained earnings (US$m)	(143.4)	(159.9)	(171.5)	(186.4)	(24.3)
Liabilities + equity (US$m)	**11**	**24**	**143**	**258**	**425**

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Summary of Recommendations as of June 2025	
BUY:	51
HOLD:	0
SELL:	0
UNDER REVIEW:	1
TENDER:	0
NOT RATED:	0
TOTAL	52

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