SCP EQUITY RESEARCH

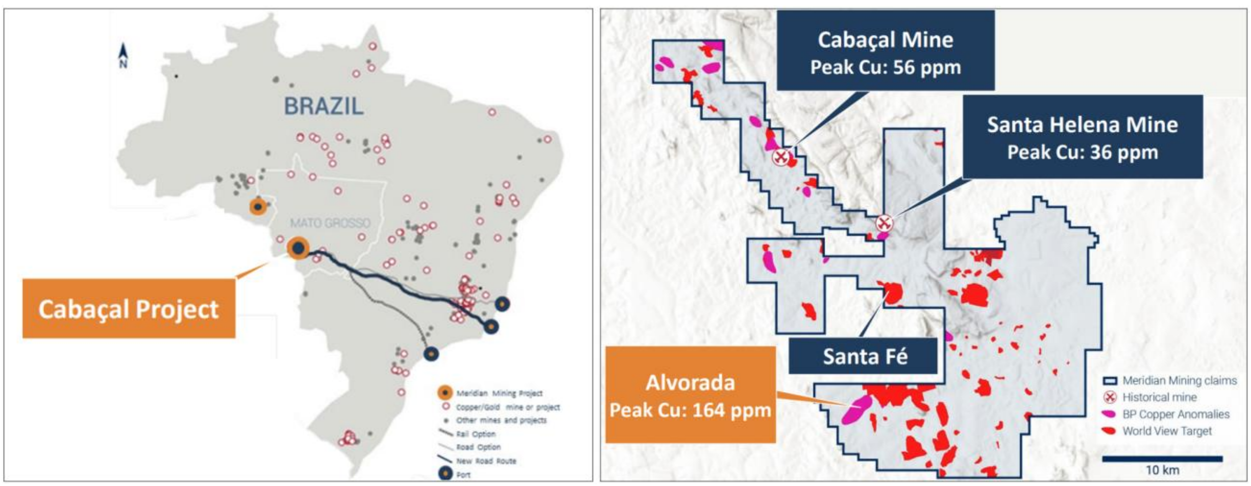
Meridian Mining, 30 October 2025

Ticker: MNO CN	**PF Cash:** US$50m	**Project**: Cabaçal
Market cap: C$467m	**Price:** C$1.12/sh	**Country:** Brazil
REC. (unc): BUY	*TARGET (unc): C$2.50/sh*	*RISK RATING (unc): HIGH*

*Today's unanimous granting of the Preliminary License for Cabaçal underscores the project's technical, environmental, and social merits—a key de-risking catalyst Cabaçal (and also future satellites in a 'hub and spoke' scenario). As the most challenging hurdle in Brazil's three-stage permitting process, it bolsters confidence in timelines for the upcoming Installation License submission in 2026, paving the way for construction and FID. Recall the 1Q25 PFS: after-tax NPV5% of US$984m from US$248m capex @ US$2,119/oz Au, US$4.16/lb Cu; LOM production of 141koz AuEq @ US$742/oz AISC, scaling from 2.5Mtpa to 4.5Mtpa in Y4. Notably, the PL approves the full 4.5Mtpa capacity, de-risking the expansion—a double positive today to enhance M&A appeal in our view. Bottom line - we see great upside for equity holders and M&A acquirers alike. Even at a 100% bid premium to spot, we estimate a **>20% 'buy and build' IRR** net of the build capex – an admirable return for mid-tiers seeking growth in our view, and an outcome difficult to replicate in most safe mining jurisdictions. As such, we **maintain our BUY rating and our C$2.50/sh PT** based on a 0.5x NAV for Cabaçal and US$50/oz for a nominal 500koz at Santa Helena. Meridian is trading at ~0.24x P/NAV with US$50m pro-forma cash ahead of value driving catalysts including the maiden Santa Helena resource update (4Q25), a DFS, and FID next year, and satellite exploration.*

While we expect the DFS (the usual keys to unlock M&A) as early as next year, Meridian's simple low valuation leads us to see M&A as a very real exit in the short term, and/or until the valuation climbs materially. Moreover, we like Brazil as it remains among the select few safe jurisdictions to build and operate at lower costs – making it highly attractive to mid-tiers seeking growth as demonstrated by Hochschilds and G Mining recent acquisitions in the country.

Figure 1: Cabaçal (A) location map (B) project mining claims including Santa Fe and Santa Helena



Source: Meridian Mining – October 1, 2025 corporate presentation

Cabaçal derisked with Preliminary License granted; next steps DFS, Installation License, and FID

Today Meridian announces CONSEMA (Environmental Council for the State of Mato Grosso) unanimously approves the Cabaçal Au-Cu-Ag project's (Brazil) Preliminary License. The remaining two permitting stages are (i) the Installation License allowing the construction of the beneficiation plant and structures also triggers FID (ii) the Operating License granted after mine construction is completed. Next steps: Cabaçal DFS advancing towards publication in 2026, the Installation License is advancing towards submission.

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

- 2025: Extension and infill drill program and metallurgical program
- 4Q25: Maiden Santa Helena MRE and preliminary license
- 1H26: Cabaçal DFS (potential inclusion of Santa Helena) and permitting progress
- 2H26: FID and construction

Research

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Ticker:	MNO CN	**Price, MC:**	C$1.12/sh, C$467m	**Project PNAV today:**	0.24x	**Asset:**	Cabaçal
Author:	B Gaspar	**Rec, 0.5xNAV PT:**	BUY, C$2.5/sh	**1xNAV$_{2Q25}$ FF FD:**	C$4.45/sh	**Country:**	Brazil

Commodity price	**CY24A**	**CY25E**	**CY26E**	**CY27E**
Copper price	9,323	9,621	9,455	9,018
Gold price	2,387	3,252	3,258	3,043
Silver price	29	36	38	35

SOTP *project* valuation*	**US$m**	**O/ship**	**NAVx**	**C$/sh**
Cabaçal NPV ungeared @ build start 1Q26	1,358	100%	0.50x	2.20
SCPe Santa Helena 500koz @ US$50/oz	25	100%	1.00x	0.08
PF Cash	50	100%	1.00x	0.16
Cash from ITM options	11	100%	1.00x	0.03
Group NAV5% US$3000/oz	1,443			2.48
**Shares diluted for options mine build*		Market P/NAV$_{5\%\ today}$		0.24x

Company NAV: (US$m, ungeared)*					
Company NAV (C$m)	$2200oz	$2600oz	$3000oz	$3400oz	$3800oz
Discount rate: 10%	824	960	1,096	1,232	1,369
Discount rate: 7%	974	1,132	1,289	1,446	1,604
Discount rate: 5%	1,095	1,269	1,443	1,617	1,791
Ungeared project IRR:	63%	72%	80%	88%	95%
SCPe NAVPS Price Target (C$/sh)	$2200oz	$2600oz	$3000oz	$3400oz	$3800oz
Discount rate: 10%	1.47	1.69	1.91	2.13	2.35
Discount rate: 7%	1.72	1.97	2.23	2.48	2.74
Discount rate: 5%	1.91	2.19	2.48	2.76	3.04

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

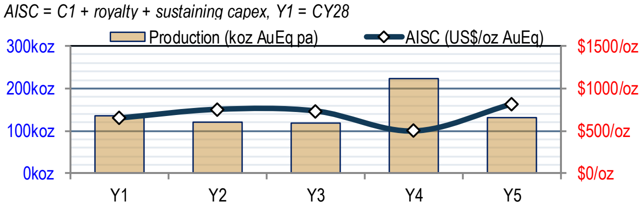
***Group* NAV over time^**	**Dec-25**	**Dec-26**	**Dec-27**	**Jun-28**	**Dec-29**
Cabaçal NPV (US$m)	1,359.3	1,430.3	1,698.0	1,800.1	1,551.8
Santa Helena nominal (US$m)	25.0	25.0	25.0	25.0	25.0
G&A and fin. costs (US$m)	(67.5)	(58.4)	(49.0)	(39.0)	(9.1)
Net cash prior qtr (US$m)	46.2	86.3	(94.0)	(140.7)	238.6
Cash from options (US$m)	10.5	10.5	10.5	10.5	10.5
NAV FF FD (US$m)	1,374	1,494	1,591	1,656	1,817
FF FD Shares in issue (m)	*443*	*532*	*532*	*532*	*532*
1xNAV5%/sh FF FD (C$/sh)*	**4.43**	**4.01**	**4.27**	**4.45**	**4.88**

Geared NAV and PT, diluted for build, net G&A and fin. costs^					
NAV at first gold (C$m)	$2200oz	$2600oz	$3000oz	$3400oz	$3800oz
Discount rate: 10%	1,055	1,227	1,399	1,571	1,743
Discount rate: 7%	1,167	1,355	1,543	1,731	1,919
Discount rate: 5%	1,255	1,456	1,656	1,856	2,057
Geared project IRR:	58%	66%	74%	82%	90%
1xNAVPS at first gold (C$/sh)*	$2200oz	$2600oz	$3000oz	$3400oz	$3800oz
Discount rate: 10%	2.87	3.34	3.81	4.28	4.75
Discount rate: 7%	3.18	3.69	4.20	4.72	5.23
Discount rate: 5%	3.42	3.97	4.51	5.06	5.60

*^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



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$60m
Working capital (US$m):	US$27m	SCPe pre-build equity (US$m)	US$0m
G&A + exploration 1st prod.:	US$26m	SCPe build equity (US$m):	US$99m
TOTAL USES:	**US$300m**	SCPe Debt (US$m):	US$161m
Buffer:	*US$20m*	**TOTAL SOURCES:**	**US$321m**

Capital structure	**Basic**	**FD for ITM options**	**FD for build**
Shares out (m)	417.1	441.1	533.1

Ratio analysis (CY to Dec :	**CY24E**	**CY25E**	**CY26E**	**CY27E**	**CY28E**
Average shares out (m)	280.4	370.6	474.5	507.7	507.7
EPS (US$/sh)	-	-	-	-	0.32
CFPS (US$/sh)	-	-	-	-	0.22
EV (US$m)	306.3	374.1	445.1	662.6	552.8
FCF yield (%)	-	-	-	-	19%
PER (x)	-	-	-	-	3.5x
EV/EBITDA (x)	-	-	-	-	2.4

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	-	-	20.2
G&A + sh based costs (US$	3.8	5.4	5.5	5.5	5.5
Expln + fin. cost (US$m)	14.2	10.4	7.1	9.5	16.0
Taxes (US$m)	-	-	-	-	36.8
Net income (US$m)	(18.2)	(16.0)	(12.5)	(14.9)	162.1
EBITDA (US$m)	(18.0)	(15.9)	(12.1)	(5.3)	235.3

Cash flow, attrib.	**CY24E**	**CY25E**	**CY26E**	**CY27E**	**CY28E**
Add D&A / share bsd (US$r	0.3	1.2	-	-	20.2
Adjust fin. cost (US$m)	0.0	0.0	-	-	-
Change in wkg cap (US$m)	(0.0)	0.1	-	-	28.8
Other non-cash (US$m)	5.8	(0.8)	-	-	(57.6)
Cash flow ops (US$m)	**(12.1)**	**(15.6)**	**(12.5)**	**(14.9)**	**153.5**
PP&E - build + sust. (US$m	0.1	0.3	41.3	165.3	43.8
PP&E - expl'n (US$m)	0.6	0.1	-	-	-
Cash flow inv. (US$m)	**(0.7)**	**(0.3)**	**(41.3)**	**(165.3)**	**(43.8)**
Share issue (US$m)	14.1	47.6	99.2	-	-
Debt draw (repay) (US$m)	-	-	32.2	129.0	-
Cash flow fin. (US$m)	**14.1**	**47.6**	**131.4**	**129.0**	**-**
Net change in cash (US$m)	1.2	31.6	77.6	(51.3)	109.7

Balance sheet	**CY24E**	**CY25E**	**CY26E**	**CY27E**	**CY28E**
Cash (US$m)	7.7	41.0	118.5	67.2	177.0
Acc rec., inv, prepaid (US$n	-	-	-	-	33.6
PP&E + other (US$m)	3.5	4.2	45.6	210.9	234.5
Total assets (US$m)	**11**	**45**	**164**	**278**	**445**
Debt (US$m)	-	-	32.2	161.2	161.2
Accounts payable (US$m)	1.6	2.2	2.2	2.2	7.0
Stream liab / oth (US$m)	0.4	0.4	0.4	0.4	0.4
Total liabilities (US$m)	2.0	2.6	34.9	163.8	168.6
Issued capital (US$m)	152.6	202.0	301.2	301.2	301.2
Retained earnings (US$m)	(143.4)	(159.5)	(172.0)	(186.9)	(24.8)
Liabilities + equity (US$m)	**11**	**45**	**164**	**278**	**445**

Source: SCP estimates

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Summary of Recommendations as of October 2025	
BUY:	55
HOLD:	0
SELL:	0
UNDER REVIEW:	0
TENDER:	0
NOT RATED:	0
TOTAL	55

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