



Thor Explorations: Ready, Steady, Go!

Thor Explorations Ltd (Thor) has embarked on a journey to become a leader in the commercial mining and production of gold in West Africa. Given the unprecedented success of its flagship Segilola project, the company has strongly positioned itself to build upon its first-mover advantage in an unexplored and emerging gold mining industry in Nigeria. Driven by its commendable management and strategic approach, Thor has built its operations to commercial scale in a short span, braving persistent headwinds from the ongoing pandemic.

Based on the latest operating update, the company is set to achieve its targeted gold production of 80,000-100,000 ounces (oz) in 2022. We believe this will move the company to the top position in Nigeria and help it focus on growing its exploration and development activities in other underexplored regions in West Africa. In this report, we review Nigeria's mining industry and Thor's position therein, with a deep dive into its project portfolio. We also explore the economic moat driving the company's pursuit of growth.

Nigeria's mining industry is likely to grow on the government's focus on diversification

Nigeria is the largest economy by GDP and the most populous country in Africa. It is among the top 20 oil producers in the world, with the oil and gas sector representing around 85% of its exports. Higher dependence on oil makes Nigeria more vulnerable to economic shocks, so diversification is a logical step to pare reliance on oil. Mining, including mineral fuel, contributed around 6.19% to Nigeria's GDP in 2021 (vs 7.13% in 2020). The wide range of solid domestic mineral resources is the new focus area of the Nigerian mining industry. The government's latest National Development Plan (covering 2021-25) has set a target of a 3% contribution of total non-oil mining to GDP by 2025 vs 0.43% in 2020. Government's backing and the focus on a wide range of solid domestic mineral resources is likely to augur well for the Nigerian mining industry.

Nigeria holds material unexplored mineral reserves, supporting Thor's expansion plans

Nigeria has the 12th largest iron ore reserve in the world. Reserves of some minerals, such as lead, baryte, coal and bitumen, are specific to only Nigeria in SSA. These reserves represent an untapped opportunity for the nation to enrich its mining portfolio. While Nigeria has more gold reserves than Burkina Faso and the DRC, gold production has been the lowest in Sub-Saharan Africa (SSA), underscoring the dearth of large-scale production facilities in the country. This is corroborated by the

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fact that Nigeria's annual gold production was less than 15% of Mali's in 2019, despite their similar gold reserves. Nevertheless, the grade quality of gold found in Nigeria is one of the highest in SSA presenting a substantial growth opportunity, as it continues to remain in demand from the jewellery sector and commands the highest price worldwide.

Thor has a first-mover advantage in a promising market...

Thor's flagship Segilola project is positioned as one of West Africa's lowest-cost, highest-grade gold producers, with first gold production achieved in July 2021. Thor is a first mover in Nigeria – an area with high potential that remains underexplored. Thor's asset portfolio is diversified by jurisdiction and development stage. Currently, it holds c.915 sq. km of licences. Its management has several years of experience and strong record in leading exploration activities in Nigeria. Thor enjoys competitive advantage over peers in West Africa, as it has established itself as a low-cost producer (AISC* in Segilola is US\$685/oz, one of the lowest in SSA, where average AISC is approximately US\$740/oz). In our view, Thor has strengthened its roots in Nigeria by gaining a significant capacity advantage over potential competitors. It owns the only industrial scale processing plant on the gold-bearing Ilesha Schist Belt, which has an ore processing capacity of 715,000 tonnes per annum. It produced its first gold in July 2021 and is on track to reaching its targeted gold production levels of 80,000-100,000 oz in 2022.

Providing an opportunity of significant upside potential

In our Base case, with a gold price assumption of US\$1,600/oz, we expect Thor to generate a combined net asset value of US\$380m using Sum of the Parts valuation, corresponding to a per share fair value of C\$0.77. We outlined several scenarios to assess potential impact of change in gold prices on Thor's share price. These scenarios assume US\$200 per interval change in gold price and a 1 percentage point per interval change in weighted average cost of capital (WACC). Our best-case situation yields a fair value per share of C\$1.42 at US\$2,200 gold price and 10.4% WACC. On the other hand, worst case scenario indicates a fair value per share of C\$0.55 at US\$1,400 gold price and 14.4% WACC. Notably, considering current gold spot trade levels of well above US\$1,900, potential fair value per share corresponds to C\$1.14 at 14.4% WACC.

*AISC – All-In Sustaining Costs

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SSA well-positioned to benefit from global demand tailwinds

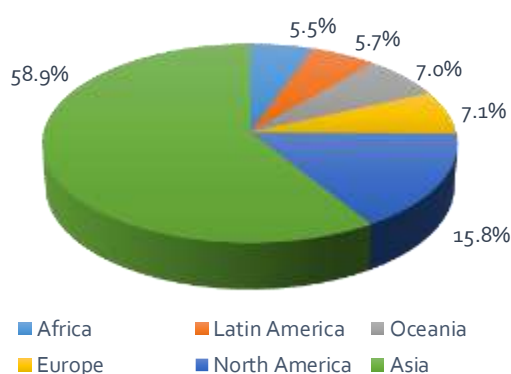
Expanding global demand for precious minerals

Recently, there has been a shift in focus in the mining sector, due to increased demand for rare earth elements (REEs) and precious metals, such as gold. This trend is likely to continue, as the industrial applications of REEs is expanding continually. To address this increased demand, many resource-rich countries are focusing more on these elements than conventional mining products. Global total mining production has almost doubled in the last two decades, touching 17.9 billion metric tonnes in 2019 from 11.3 billion metric tonnes in 2000. All the continents witnessed growth except Europe, which has seen a decline of 27.9% during 2000-19.

World mining production growth 2000-19



Mining production by continent (2019)

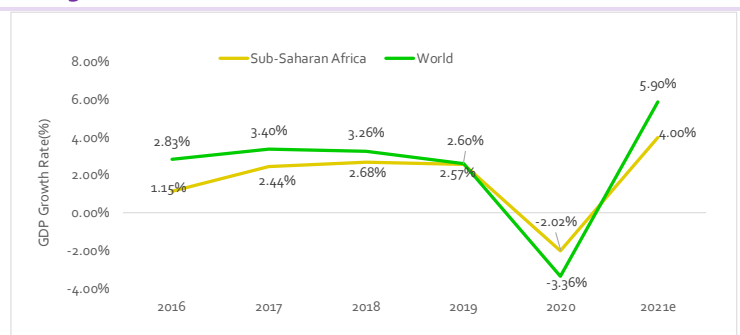


Source: World Mining Data 2021 (International Organizing Committee for the World Mining Congress), CSL Research

SSA contributed about two-thirds of Africa’s mineral output

Africa, which accounts for around 5.5% of the world’s mineral production, witnessed 28.4% growth during 2000-19. Mineral throughput in the region edged up to 983 million metric tonnes in 2019 from 766 million metric tonnes in 2000. SSA has been a major contributor to Africa’s mineral output, accounting for a 67.3% share in 2019 (versus 62% in 2000). The importance of the mining sector in SSA is evident from the fact that it contributes around 10% to the gross domestic product (GDP) of 15 resource-intensive countries in the region (as per IMF). The sector accounted for more than 50% of their exports and received around 31% of the foreign direct investment (FDI) in 2019. SSA – home to an estimated c.30% of world mineral reserves – has the potential to become a major supplier in the world going forward. In 2020, when the world was struggling to cope with the COVID-19 pandemic, SSA demonstrated resilience, faring better than the world economy. It posted a y/y GDP decline of 2.02% vs a 3.36% decline in the overall world economy.

GDP growth rate: SSA vs World



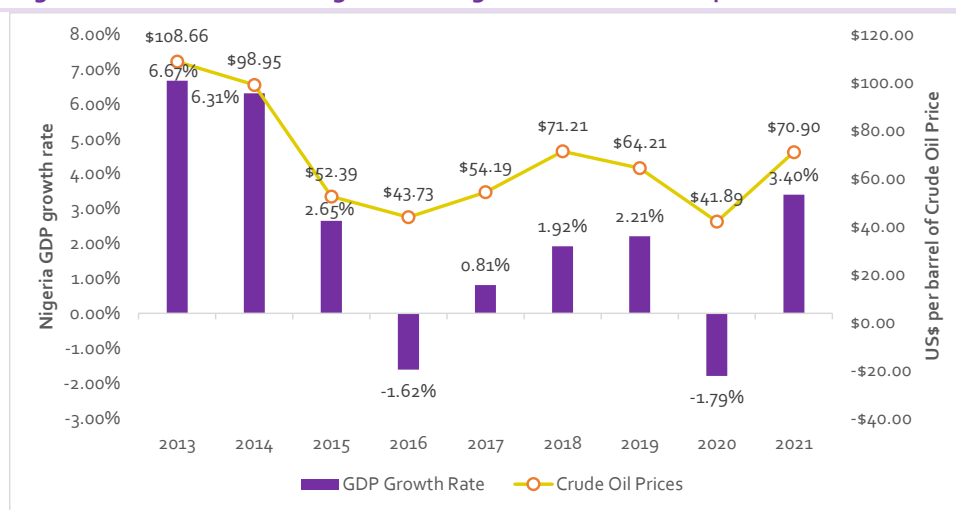
Source: World Economic Prospects (World Bank), CSL Research

Nigeria eyeing diversification to pare reliance on oil

Nigeria is the largest economy by GDP and the most populous country in Africa. It is among the top 20 oil producers in the world, with around 85% of its exports derived from the oil and gas sector. Higher dependence on oil makes Nigeria more vulnerable to economic shocks, so diversification is a logical step to pare reliance on oil. Mining, including mineral fuel, contributed around 6.19% to Nigeria’s GDP in 2021 (vs 7.13% in 2020). The wide range of solid mineral resources can be the new focus area for the Nigerian mining industry.

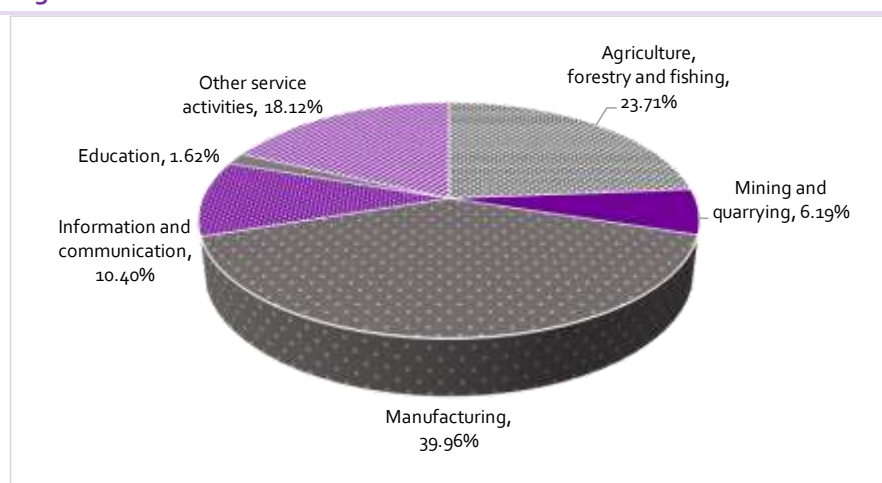
The trajectory of Nigeria’s economy is a direct function of crude oil prices. After coping with the challenges posed by subdued oil prices during 2014-16, Nigeria was on a recovery path before the pandemic hit the world. The economy contracted 1.79% in 2020, due to the COVID-19 exigency, as it was one of the most impacted major economies in the region. Nigeria’s real GDP growth was 3.4% during 2021 and IMF projects a 2.7% growth for both 2022 and 2023, highlighting a slow recovery from the recession brought about by the pandemic.

High correlation between Nigeria’s GDP growth and crude oil prices



Source: IMF (DSBB), NBS, CSL Research

Nigeria GDP: 2021 sectoral contribution

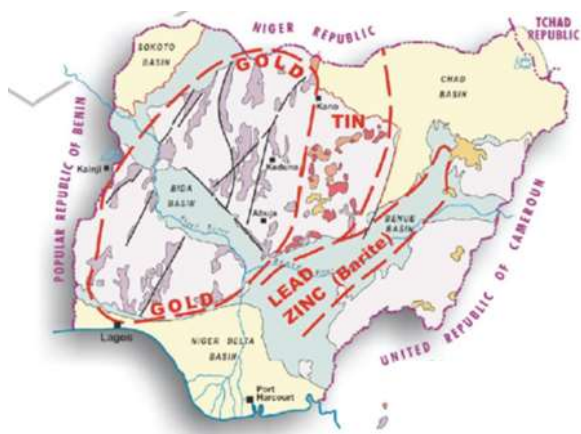


Source: GDP report 2021 (NBS), CSL Research

The Nigerian government’s steps to harness the potential benefits of solid mineral reserves has culminated in steady growth in the share of non-oil minerals and metals in GDP. Although the share of total non-oil minerals in GDP is low at 0.63% in 2021 (vs 0.43% in 2020), it has been growing at a rapid pace. The government’s latest National Development Plan (covering 2021-25) has set a target of a 3% contribution to GDP by 2025.

Nigeria has deposits of about 44 minerals. The government recognises coal, bitumen, limestone, iron ore, barites, gold, lead/zinc as ‘Seven Priority Minerals’, prioritising their development.

Location map of various minerals found in Nigeria



Annual Production of Minerals in Nigeria....

Mineral	Units	2018	2019
Gold	kg	10,000	9,000
Lead	tonne	17,900	23,550
Iron Ore	tonne	700	1,000
Coal	tonne	352,679	400,000
Baryte	tonne	387	0

....vs available reserves

Mineral	Units	Est. Mineral Reserves (2017)
Gold	kt	600
Lead	mt	5
Iron Ore	billion t	3
Coal/Lignite	mt	693
Bitumen	mt	1,100
Baryte	kt	111

Source: World Mining Data (2021) and Nigeria Mining Week, CSL Research

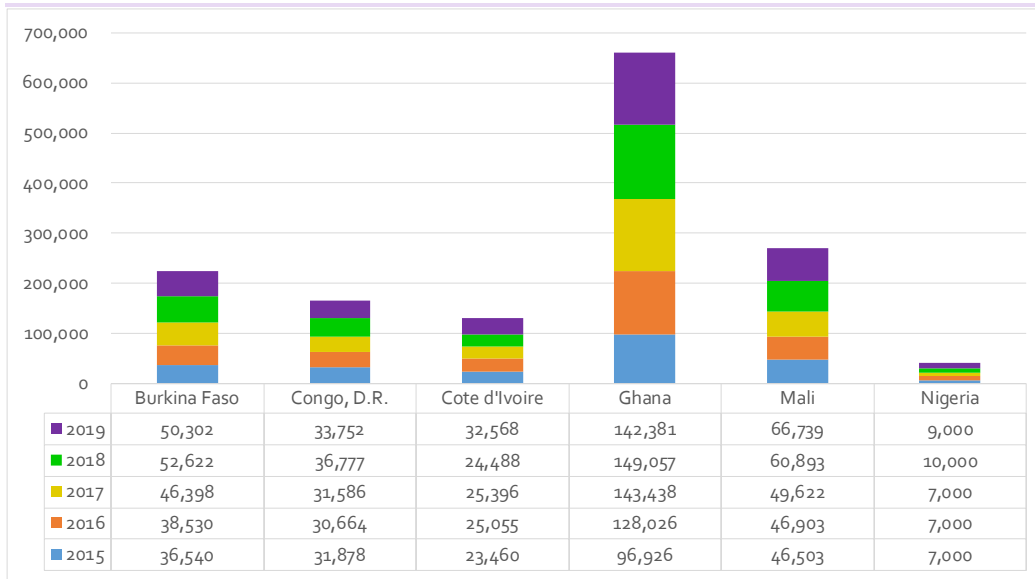
Nigeria has combined estimated reserves of around 600,000 tonnes of alluvial and primary gold deposits, generally found in north-west, central and south-west Nigeria. 90% of the gold mining in the country is carried out by small artisanal miners, employing around 85% of the workforce in the sector. Gold mining is at a nascent stage. As one of the seven strategic minerals, gold attracts significant fiscal incentives and regulatory benefits. Currently, Thor is the only large-scale gold mining company in the country (initial capacity of 80,000 oz of gold production).

Nigeria vs other mining-focused countries in SSA

Mineral fuel exploration takes place largely in Nigeria, Ghana, and The Democratic Republic of the Congo (DRC), making them more vulnerable to movements in crude oil prices. As mentioned above, Nigeria’s economy is more oil-dependent than the rest of the countries in the region. Ghana is one of the leading gold producers, ranking 6th in the world, followed by Mali and Burkina Faso in the West Africa region. Apart from gold, these countries produce other minerals and precious metals including zinc, bauxite, and manganese. The DRC is a world leader in cobalt (above 60% of the global share).

Nigeria has the 12th largest iron ore reserve in the world. Reserves of minerals, such as lead, baryte, coal and bitumen, are specific to only Nigeria in SSA. These reserves represent an untapped opportunity for Nigeria to enrich its mining portfolio. While Nigeria has more gold reserves than Burkina Faso and the DRC, gold production has been the lowest in the SSA region, underscoring the dearth of large-scale production facilities in the country. This is corroborated by the fact that Nigeria’s annual gold production was less than 15% of Mali’s in 2019, despite their similar gold reserves.

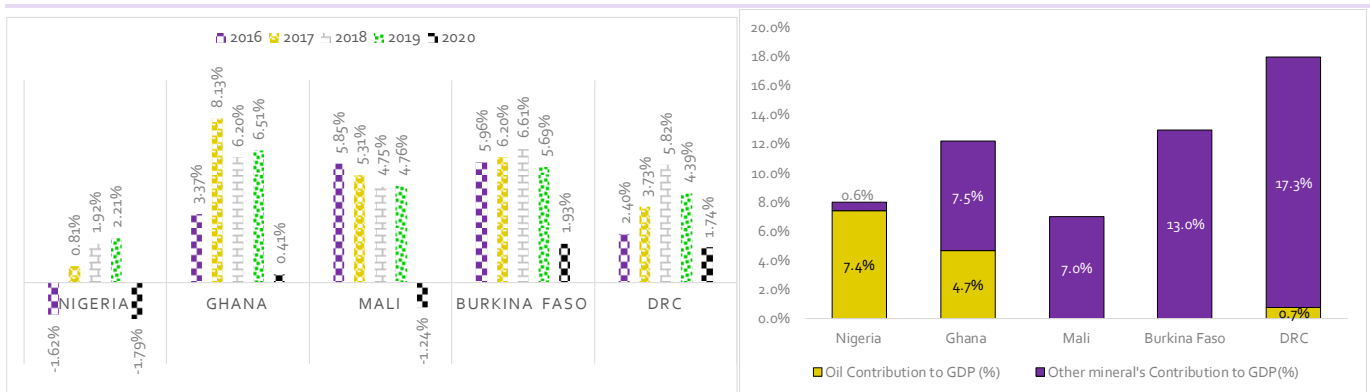
Nigeria much behind its African counterparts in gold production (kg)



Source: World Mining Data 2021, CSL Research

Since crude oil is demand-driven and other minerals are supply-driven, the impact of crude oil demand on Nigeria’s economy is higher than on other countries in the SSA region. Crude oil contributes around 7.4% to Nigeria’s GDP (around 90% of the mining sector’s share), whereas for Ghana and the DRC, the contribution of oil to GDP is 4.7% and 0.75%, respectively. More balanced mineral contribution in other African countries’ GDP helped them perform better than Nigeria during the pandemic (2020-21), when oil demand was relatively low, making diversification a need of the hour for Nigeria.

GDP growth rates and Oil contribution of countries in SSA region (2020)



Source: World Bank data, CSL Research

Nigeria – well equipped to benefit from its mineral-rich reserves

Why Nigeria for mining?



Source: CSL Research

Diversification – the need of the hour

Nigeria’s large reserves of minerals provide a good alternative for diversification. The Federal Government of Nigeria (FGN) has taken several initiatives to monetise its solid mineral reserves. To increase the mining sector’s contribution to GDP, it has developed a road map such as improving the quality and availability of geoscientific data and facilitating access to funds. The FGN has also set up a US\$500m Solid Mineral Development Fund (SMDF) to promote private-sector-led investments in the sector. Additionally, it has established a US\$72m Intervention Fund (N30bn) to promote exploration and research, as most projects in Nigeria are greenfield projects, in which not many investors are keen to invest. The country has started attracting investments. Recently, the UAE has committed US\$2bn investments to its mining industry.

Illegal mining – a bane for Nigerian economy; government focusing on strengthening law

Deregulation in the mining sector started in 2007, and amendments were made periodically. Illegal mining has been the outcome of the lack of state incentives. Nigeria loses around US\$9bn annual revenue to illegal mining according to an analysis by Senator Orji Uzor Kalu. While addressing the problems related to the mining of solid minerals, the FGN took note of the fact that most of the illegal mining is carried out by small artisanal miners (80% of mining in north Nigeria is illegal). Recently, the government proposed amendments to the Nigerian Minerals and Metals Act (2007) to curb illegal mining and improve the implementation of the law. The new proposal, already on the table in both the houses, is expected to be enacted soon. These amendments, if approved, will empower the state governments to issue licence and derive higher revenue from mining.

Also, the FGN has implemented a scheme – the Presidential Artisanal Gold Mining Development Initiative – to enable the Central Bank of Nigeria to procure gold produced by small and artisanal miners at the prevailing international gold rate.

Government’s focused expenditure on infrastructure for mining sector

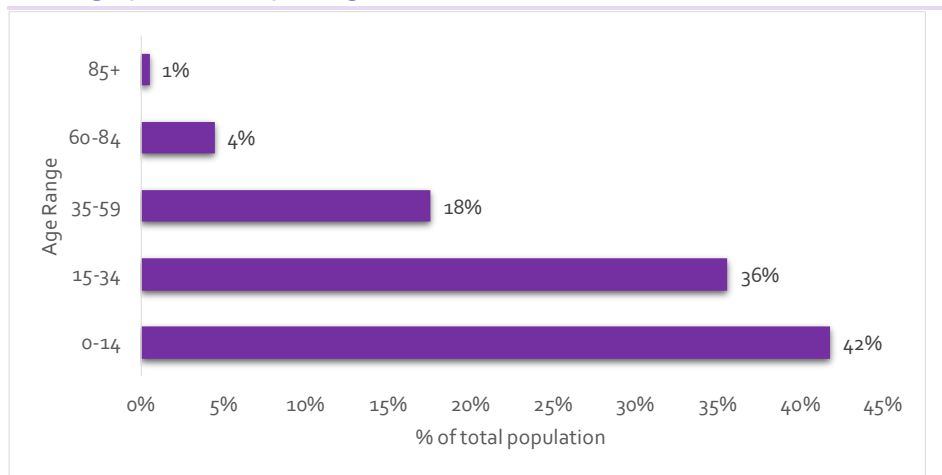
Nigeria lacks geological data on mineral resources and their location. The National Geological Survey Agency has taken the initiative to provide reliable geoscience data on mineral resources, which can help channel more investments into the sector. The FGN is also encouraging FDI in its infrastructure projects. One such example is a US\$12bn coastal railway project being built by China. The government, besides railways, has made efforts to build road networks as close to mines as possible. A red-blue railway-line project at an estimated first-phase expense of around US\$360m (N153bn) has been passed in the budget of 2022, together with a N9.9bn expressway expansion project, which is expected to reduce the transportation time

of mineral products to the coasts. Nigeria has an extensive network of both paved and unpaved roads, with more than twice the density compared to other resource-rich countries in Africa.

Cheap labour force in abundance

Nigeria has cost-effective labour in abundance for industrial and infrastructural development, as it is the most populous country in Africa. More than 30 million people in the country are educated yet unemployed, and a large proportion of the unemployed individuals are below 35 years. A young and trained human capital ensures a faster learning curve compared to countries with an ageing population.

Demographic break-up of Nigeria



Source: Nigeria Census 2006, CSL Research

Low costs and higher profits

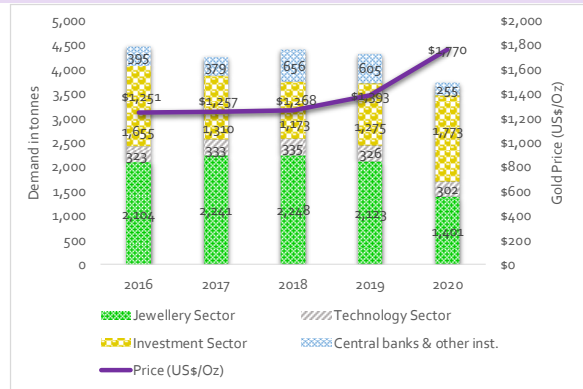
Nigeria has the lowest gold production AISC in SSA, which Thor Explorations can exploit. The company boasts AISC of US\$685/oz – one of the lowest among its peers in the SSA region. Easy availability of cost-effective labour, along with 100% FDI in the sector, ensures high takeaway profit for investors in the country.

Gold – bestowed with diverse demand drivers

Gold’s overall performance hinges on diverse demand drivers including investors’ preference for safe haven assets during uncertain market conditions, consumer demand for jewellery and central banks’ gold purchase. The use of gold in the technology sector, albeit small compared to other sectors, is on the rise and has far-reaching use in various critical equipment. Gold is likely to remain a strong hedge against currency movements and inflation as reflected in its demand more than doubling in the last three decades. It is still considered a safe haven in an uncertain economic environment, which ensures consistent demand for the yellow metal especially during distress. In 2020, gold was the most preferred investment asset. Gold jewellery demand represents around 50% of the total annual gold demand. The jewellery demand took a hit during the pandemic (2020-21) due to supply constraints and a drop in luxury spending, but at the same time investment in gold asset as safe haven ascended. The all-weather demand characteristics of gold will likely support Nigeria’s aim of diversifying its economy.

Annual gold demand (tonnes)

Sector	2016	2017	2018	2019	2020
Jewellery Sector	2,104	2,241	2,248	2,123	1,401
% YoY Change		7%	0%	-6%	-34%
Technology Sector	323	333	335	326	302
% YoY Change		3%	1%	-3%	-7%
Investment Sector	1,655	1,310	1,173	1,275	1,773
% YoY Change		-21%	-10%	9%	39%
Central banks & other	395	379	656	605	255
% YoY Change		-4%	73%	-8%	-58%
Total Demand	4,477	4,262	4,413	4,329	3,732
% YoY Change		-5%	4%	-2%	-14%
Price (US\$/Oz)	\$1,251	\$1,257	\$1,268	\$1,393	\$1,770

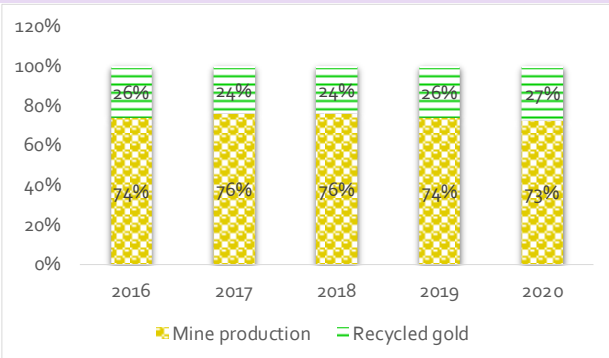


Source: World Gold Council, CSL Research

Gold mining is time consuming; it takes years to produce new gold supplies. The immediate demand for gold is fulfilled from recycled gold (around 25% of total gold supply). This supply is most responsive to changes in gold prices and economic shocks. Jewellery sector accounts for around 90% of recycled gold. The grade of gold mined in Nigeria is one of the highest in the SSA region and, hence, is used mostly in the jewellery sector.

Annual supply of gold (tonnes)

Supply	2016	2017	2018	2019	2020
Mine production	3,515	3,579	3,653	3,599	3,473
% YoY Change		1.81%	2.08%	-1.48%	-3.50%
Recycled gold	1,233	1,111	1,132	1,273	1,302
% YoY Change		-9.85%	1.86%	12.45%	2.30%
Total Supply	4,748	4,690	4,785	4,872	4,775
% YoY Change		-1.22%	2.03%	1.81%	-1.99%



Supply	2016	2017	2018	2019	2020
Mine production	74%	76%	76%	74%	73%
Recycled gold	26%	24%	24%	26%	27%

Source: World Gold Council, CSL Research

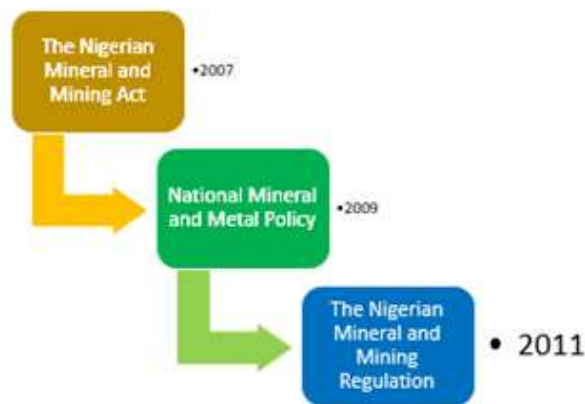
Regulatory and fiscal incentives

The Nigerian Mineral and Mining Act (2007) is the principal act for the governance of the mining sector in Nigeria. New amendments have already been placed in both the houses for enactment, which are expected to provide more powers to states to strengthen the mining sector. Also, the FGN is planning to set up a self-funded and autonomous regulatory authority. This single-window authority will promote fair competition to uplift private investors' confidence to attract more investments into the sector.

Regulatory structure in Nigeria



Timeline of mining regulations in Nigeria



Source: CSL Research

Currently, most mining projects in Nigeria are greenfield sites, meaning they are at a nascent stage and require funds and incentives from the government for sustainable development. The FGN has established various funds, such as SMDF and Intervention fund, to develop the mining sector. It is providing various fiscal incentives including the following:

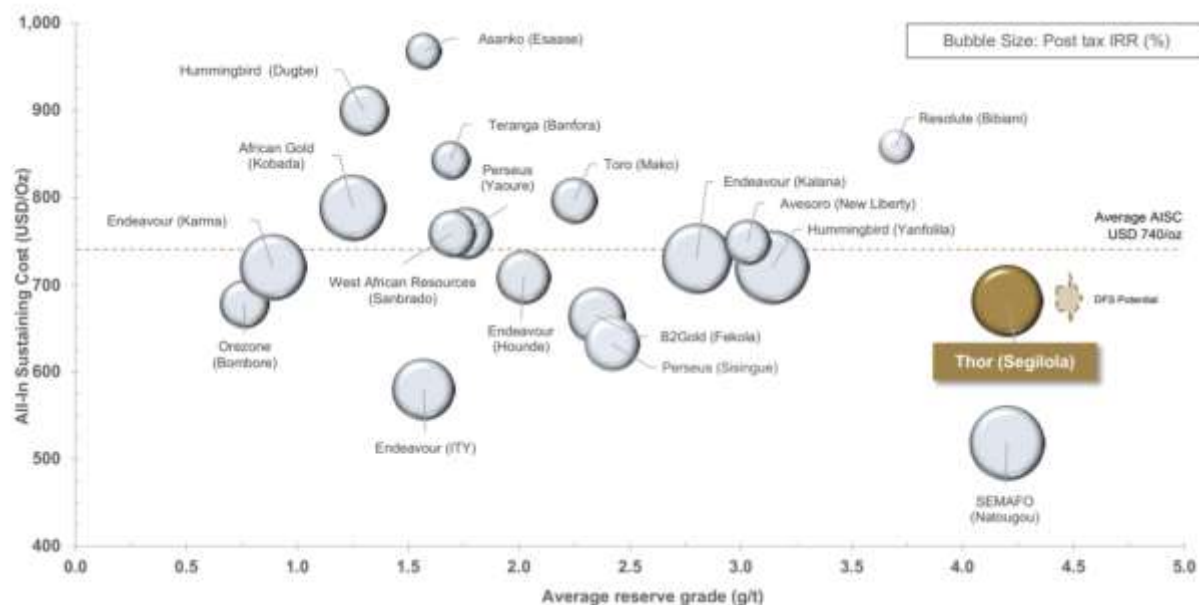
- The mining industry enjoys priority sector status, with a tax holiday of five years for eligible companies. Moreover, there are no withholding taxes on dividend distributed in the tax holiday period.
- Carry forward provisions are there for losses under CITA.
- There is no alternate minimum tax (AMT) for companies with at least 25% of foreign equity capital.
- Nigeria has allowed 100% FDI for setting up and conducting business in the mining sector.
- Foreign companies are allowed to freely repatriate profits and dividend, and there is no expropriation under any condition under Nigerian Investment Promotion Act (NIPA).
- Nigeria has one of the lowest royalty tax rates (3-5%) in SSA region.

Competitive landscape

Alluvial deposits are formed when a river runs through a ground rich in gold. The technique used to mine this deposit is fairly old and simple and requires only a human to sieve through the river water for gold, which does not require technical training. Nigeria is a populous country and has abundant labour, ensuring the process is cheaper than the rest of the countries in SSA.

Since no training is required for this type of mining and there is plenty of young and unemployed workforce in the country (around 30%), the AISC of producing one ounce of gold is comparatively low and the projects tend to generate a higher intrinsic rate of return and, therefore, higher profit margins. The AISC of Thor Explorations in Segilola is US\$685/oz, one of the lowest in SSA, while the average AISC for most companies is US\$740/oz. The grade quality of gold found in Nigeria is one of the highest in SSA region, which is used mostly by the jewellery sector of the industry and extracts the highest price worldwide.

Segilola is the highest-grade open pit gold development in West Africa



Source: Company filings, 2018, CSL Research

Thor Explorations has 100% owned mine in Nigeria and 70% owned mine in Senegal. The Definitive Feasibility Study (DFS) of both have already been conducted. A measured, indicated, and inferred estimate of 1,406,000 oz of gold has been made for these two sites, with 660,000 oz estimated in Nigeria’s Segilola Gold mine and the balance 746,000 oz estimated in the Douta project in Senegal.

Gold reserve estimates

Company	Country	Ownership (%)	Total Mineral at Deposit		Total Gold at Deposit	
			Measure & Indicated (kt)	Measured Indicated & Inferred (kt)	Measured & Indicated (Koz Au)	Measured Indicated & Inferred (Koz Au)
The Thor Exploration	Nigeria, Senegal	100%, 70%	19,386	19,829	1,338	1,406
Tietto Minerals	Cote d'Ivoire	100%	8,700	36,700	200	870
Asante Gold Corporation	Ghana	100%	14,290	18,886	1,259	1,706
West African Gold Resource	Burkina Faso	90%	50,800	92,900	3,640	6,370
Aya gold and Silver Inc	Kingdom of Morocco	85%	2,532	8,983	489	1,591
DRDGOLD	South Africa	100%	927,730	1,793,180	8,790	10,390
Firefinch Ltd	Mali	80%	28,420	50,500	1,309	2,433

Company	Grade (g/t)	Proved & Probable Material Reserves (kt)	Proved & Probable Gold Reserves (koz)
The Thor Exploration	4	4,000	517
Tietto Minerals	1.3	34,400	1,450
Asante Gold Corporation	-	Not defined yet	-
West African Gold Resource	2.3-8.6	21,960	2,110
Aya gold and Silver Inc	0	Not defined yet	-
DRDGOLD	0.3	51,810	5,350
Firefinch Ltd	1.4	23,800	1,070

Source: Companies' feasibility reports, CSL Research

Nigeria has one of the most attractive royalty rates in SSA region, which is not more than 5% for any mineral mined in the country. These rates, in combination with Alternative Minimum Tax (AMT) exemption, make Nigeria one of the most viable investment destinations in SSA.

Nigeria boasts one of lowest royalty tax rates and AMT exemption

Country	Gold	Other minerals	Alternative Minimum Tax on Mining Companies
Nigeria	3%	3-5%	Exempt
Mali	3%	3%	Applicable
Ghana	5%	5%	Exempt
Burkina Faso	Price-based	Price-based	Applicable
DRC	2.5%-3%	1-10%	Applicable

Source: CSL Research

Thor Explorations - Overview

Incorporated in Canada, Thor Explorations (Thor) is a gold development and exploration company with its assets concentrated in West Africa, primarily Nigeria, Senegal, and Burkina Faso. The company aims to organically grow a portfolio of high-quality exploration assets while continuing its major exploration in Nigeria, where it has a first-mover advantage. Its three key projects are Segilola gold project (100% interest) in Nigeria, Douta gold project (70% economic interest) in Senegal and Central Hounde project (100% interest) in Burkina Faso.

Thor's flagship – Segilola project – is one of West Africa's lowest-cost, highest-grade gold producers, which already commenced commercial gold production in July 2021. The company continues to focus on construction and commercial production ramp-up. It estimates gold output at 20,000-22,000 oz in Q1 2022 and 80,000-100,000 oz in FY2022.

The company's shares trade on AIM (London Stock Exchange) and the TSX Venture Exchange (Canada) under the ticker THX.

Key development projects



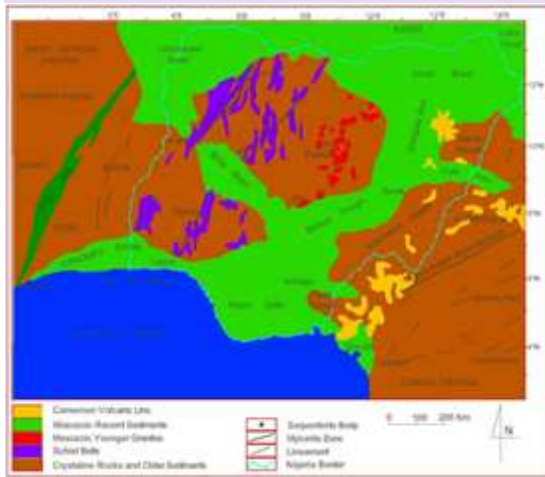
Source: Company filings, CSL Research

Segilola gold project

The project is in the state of Osun, Nigeria, approximately 120km northeast of the city of Lagos and 18km south of the regional centre of Ilesha. Segilola is the largest known bedrock source of defined gold deposit in Nigeria. It is considered an orogenic-style lode gold deposit within a regional scale shear zone that extends for several hundred kilometres through Nigeria's gold-bearing Ilesha Schist Belt (structural corridor). Thor has nine exploration licences covering 915 sq. km on various prospective targets including the gold-bearing Ilesha Schist Belt, which forms part of the crystalline basement complex in southwestern Nigeria.

Thor acquired 100% interest in the project in August 2016 through the acquisition of Segilola Resources Operating Limited and its joint venture partner Segilola Gold Limited from Ratel Group Limited (a wholly owned subsidiary of RTG Mining Inc.). Thor principally focused on the development of the Segilola project. It completed a definitive feasibility study in 2019. In April 2020, the company raised full-project funding of US\$104.5m through equity, debt and stream facility led by Africa Finance Corporation.

Geology of Nigeria and Schist Belt



Location of Segilola gold project



Source: IOSR Journal of Applied Geology and Geophysics (IOSR-JAGG), CSL Research

The gold production plant was constructed under an engineering, procurement, and construction (EPC) deal with Norinco International. Construction commenced in March 2020, and the first gold was produced in July 2021. The processing plant has a throughput capacity of 750,000 tonnes per annum.

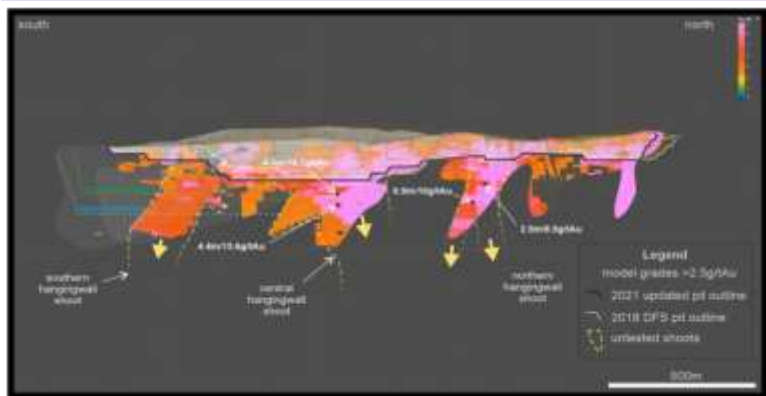
Segilola gold production plant



Source: Company filings, CSL Research

The Segilola deposit site – home to one of the highest-quality gold – consists of an open pit with a probable reserve of 518,000 oz of gold at 4.02 g/t (grams per tonne). The full potential of an underground resource has yet to be realised and ongoing exploration is planned to upgrade the current underground Inferred Resources to Indicated Resources and to test the continuation of the shoots at depth.

Segilola gold grading



Source: Company filings, CSL Research

Segilola gold reserves

Segilola Probable Reserve Estimate

Method	Category	Tonnage (kt)	Grade(g/t Au)	Contained Metal (koz Au)
Open Cut	Probable	4,007	4.02	518

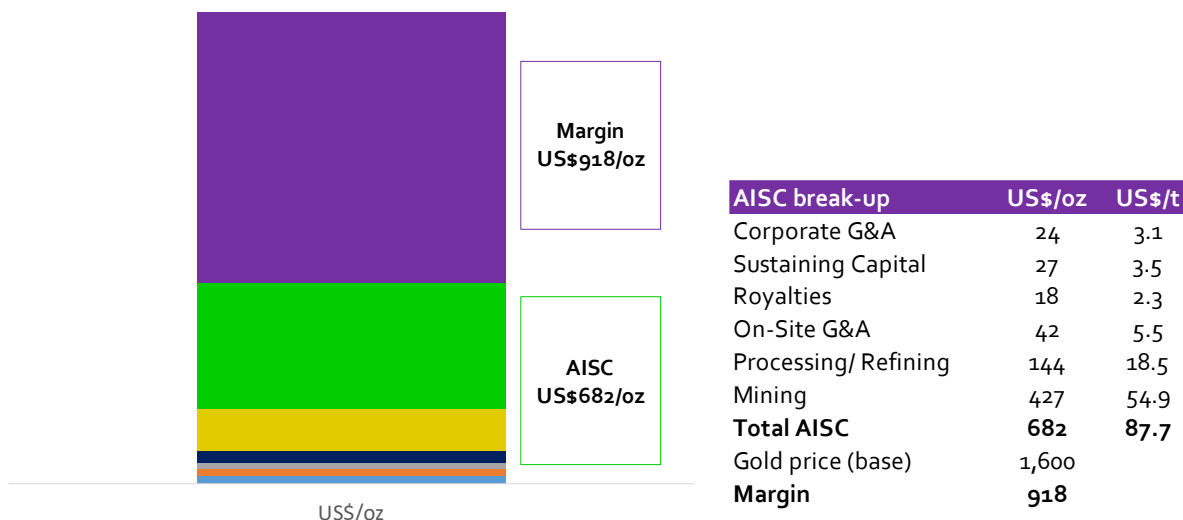
Segilola Reserve Estimate

Category	Open Pit (>0.30g/t)			Potential Underground (>2.5g/t)		
	Tonnes (kt)	Grade (g/t Au)	Gold (koz)	Tonnes (kt)	Grade (g/t Au)	Gold (koz)
Indicated	3,700	4.5	532	386	6.1	76
Inferred	32	2.5	3	411	5.0	65

Source: Company website, CSL Research

At commercial production rate, Thor expects an annual processing rate of 715,000 tonnes, targeting approximately 85,000 oz of gold per annum at an estimated gold recovery of 97%, which leads to a life of mine (LoM) of six years and low LoM AISC of US\$685/oz.

Segilola – low AISC supports strong margin over project life



Source: Company filings, 2018, CSL Research

According to the latest operational update, the Segilola processing plant is running efficiently at design capacity, processing 61,128 tonnes of ore in December 2021 (head grade of 3.4g/t). It achieved an overall recovery of 92% in the month. The company continues to work with its EPC contractor to achieve the overall recovery target of 97%. Averaging just over 1,500 oz per week, December gold production was 6,119 oz. February 2022 production was 7,082 oz at 94% recovery rate. With an improving output, Thor anticipates to comfortably meet its 1Q 2022 and FY 2022 production guidance.

Unlocking potential reserves within a 20km radius of Segilola

Thor has been expanding its exploration footprint in the surrounding areas of the Segilola gold mine. The company procured a new exploration licence for an adjoining region located in Kwara state, north of Segilola. The ground truthing of the area indicated significant artisanal mining in the past, suggesting widespread gold mineralisation within a northeasterly trending schist belt. Preliminary exploration returned anomalous rock chip results of up to 1.41g/t gold grade. In addition, the company has negotiated four option agreements over prospective exploration lease sites located in Ogun, Osun and Oyo states. It has been focusing on consolidating prospective nearby grounds surrounding Segilola and acquiring licences for distant potential sites with demonstrated strong gold mineralisation.

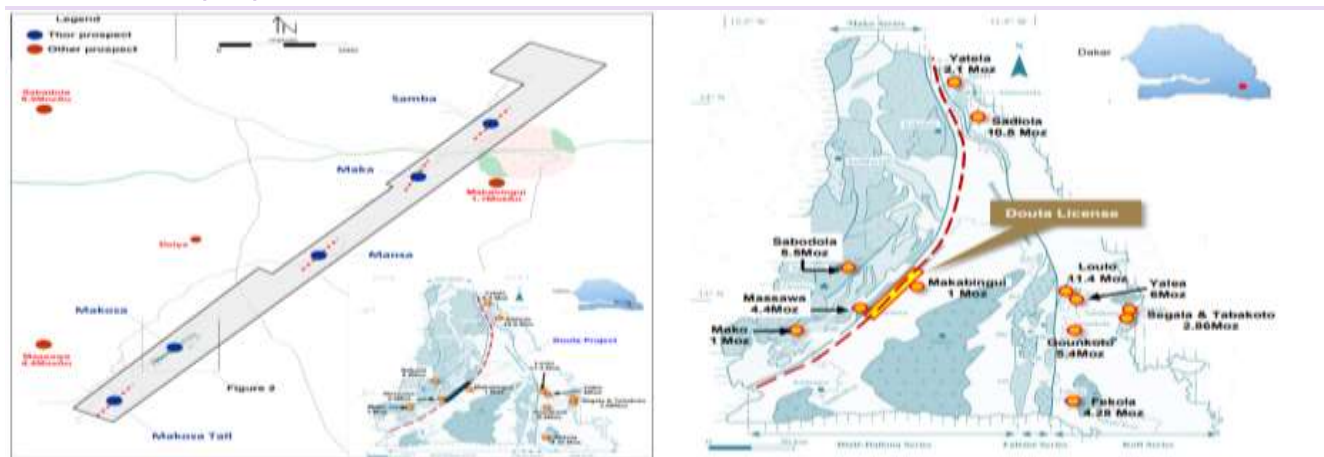
Douta gold project

The Douta gold project – located in southeastern Senegal – involves two gold exploration licences in their advanced stage concerning discoveries at Makosa deposits and Mansa deposits. It covers an area of 103 sq. km within the Kenieba inlier, eastern Senegal, which famously holds 40 million oz of gold deposit.

Thor has 70% economic interest in the project through its wholly owned subsidiary African Star. The remaining 30% interest lies with International Mining Company SARL on a free carry basis until the announcement of probable reserves.

The Douta licence site is positioned between the Massawa and Sabadola deposits in the west and Makabingui deposit in the east. It comprises one advanced-stage exploration prospect – Makosa – and four exploration stage prospects – Maka, Mansa, Samba and Makosa Tail.

Location of five prospects in Douta



Source: Company filings, CSL Research

The company recently discovered gold mineralisation at the Mansa prospect, situated 5km from the Makosa prospect. The discovery encouraged drilling intersections at 4 metres (m) grading 3.11 g/t gold, 5m grading 1.75 g/t gold and 2m grading 10.65g/t gold. Thor intends to commence reverse circulation drilling in February to complete a preliminary feasibility study in Q4 2022.

Location of Mansa prospect



Source: Company filings, CSL Research

Mineral resource estimates for Makosa and Makosa Tail

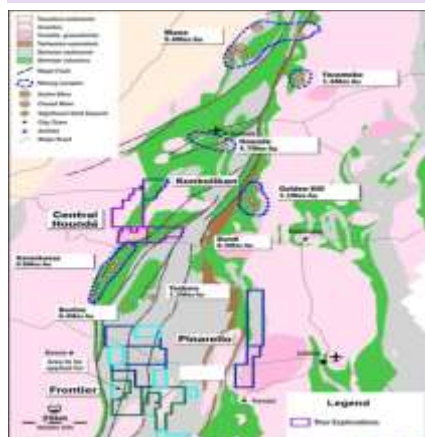
Deposit	Classification	Tonnage (MT)	Grade (Au g/t)	Contained Metal (koz Au)	Thor's Interest
Makosa	Inferred	11.7	1.5	550	70%
Makosa Trail	Inferred	3.6	1.6	180	70%
Total	Inferred	15.3	1.5	730	70%

Source: Company filings, NI 43-101 Technical Report, CSL Research

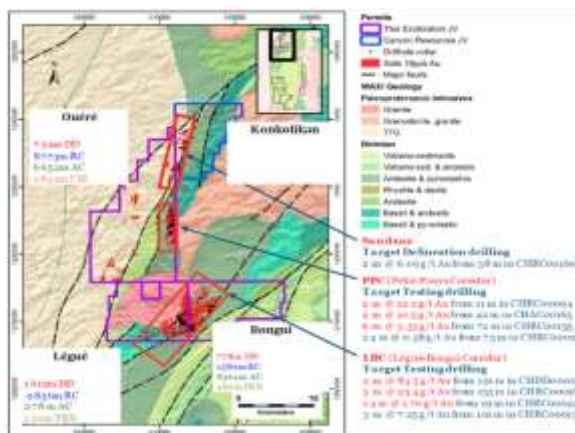
Central Houndé project

The Central Houndé project in Burkina Faso consists of three early-stage exploration permits located in the highly prospective Houndé Greenstone belt approximately 260km southwest of Ouagadougou. The three permits cover a total area of 474 sq. km over the Houndé Belt. The project adds further depth to Thor's exploration portfolio. Thor regained 100% ownership of the Central Houndé project, acquiring the remaining 51% in 2021 from Barrick Gold Corp. The project consists of two contiguous gold permits, Bongui and Legue, spanning an area of 233 sq. km and the Ouere gold permit encompassing an area of approximately 241 sq. km.

Key permit locations



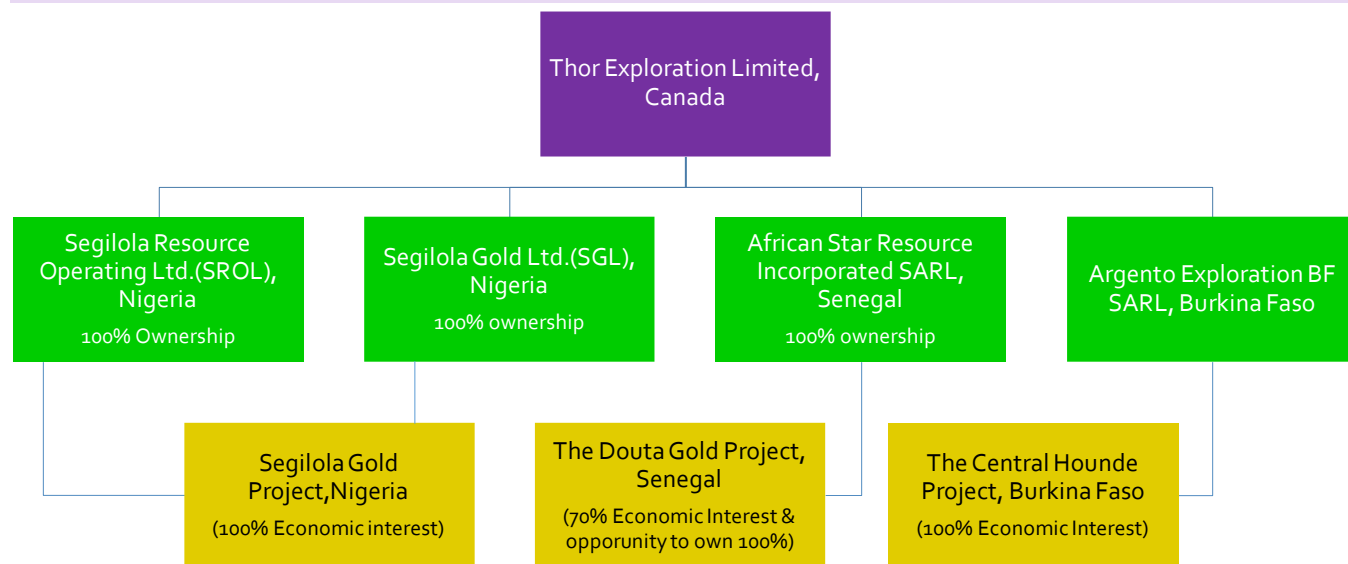
Key exploration activity



Source: Company press releases, CSL Research

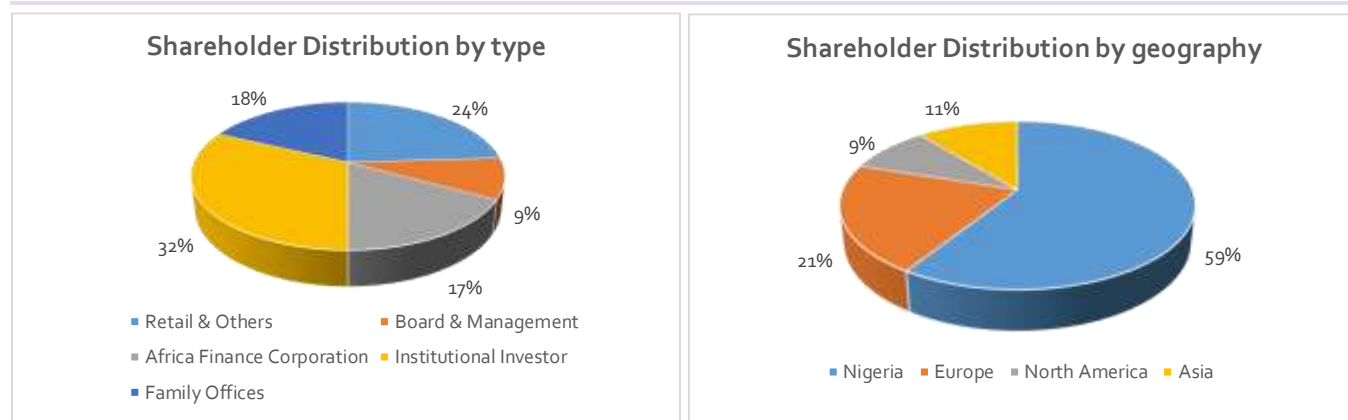
Recent exploration programmes identified several targets after preliminary drilling, so far 20,208m reverse circulation and 3,156m of diamond drilling have been completed. Thor has initiated a supplementary drilling programme to further assess this potential extension.

Organisational structure



Source: Company filings, CSL Research

Shareholding structure



Source: Company filings, January 2022, CSL Research

Strong management profile

Thor's strong team of executives have extensive experience in the mining industry. These executives bring multi-sector expertise, which plays a key role in business development. Seasoned management led the Mining Indaba 2018 Investment Battlefield win, which helped secure project financing for Segilola project construction to some extent. Details of Thor's executives are provided below.

Segun Lawson – Chief Executive Officer, President and Director

Segun Lawson has been CEO of Thor since 2011. He is responsible for all of Thor's acquisitions and financing, along with the JV with Acacia Mining (Barrick Gold). He is the co-founder of African Star Resources Incorporated, where he served as an officer assisting with financing, corporate and business development. Mr. Lawson had extensive transaction experience at Noble Company, in the oil and gas corporate finance areas, and at Premier Oil, where he was responsible for identifying and negotiating new West African opportunities. A British-Nigerian citizen, Mr Lawson has strong connections in the UK and West Africa. He holds a Bachelor of Science from the Royal School of Mines at Imperial College (UK), passing with honours in Geology. He also holds an MBA from Cass Business School.

Ben Hodges – Chief Financial Officer (CPA)

Ben Hodges is a qualified Certified Practicing Accountant with 20 years of experience in both the accounting profession and the natural resources sector, where he has had 14 years of experience in mining and oil and gas, working as Chief Financial Officer and Company Secretary of Zeta Petroleum plc – an ASX-listed oil and gas company. Previously, he served as Chief Financial Officer and Company Secretary of Atlantic Coal – a coal mining company earlier listed on AIM.

Michael Kelly – General Manager, Segilola gold plant

Michael Kelly has a proven track record in mine construction, production and technical leadership. He has achieved success in several remote locations in Africa and Asia. Most recently, he managed Zara Mining's Koka gold project end-to-end in Eritrea. He has a wealth of open pit and underground gold experience and has held several senior roles in mine engineering, mine planning technical services and contract mining, including Centerra Gold's Boroo gold mine in Mongolia. Mr. Kelly spent 13 years at AngloGold Ashanti, working at its Obuasi mine in Ghana following a production stint in South Africa. He holds a Bachelor of Science (Honours) in mining engineering from the University of Leeds UK and is a member of the Institute of Materials, Metals and Mining. Besides being a Chartered Engineer and Project Management Professional, he holds a Mine Managers Certificate of Competency (MMC), South Africa.

James Philip – VP, Corporate Development

James Philip is a highly experienced mining finance executive with 15 years of experience in a broad range of international advisory and financing transactions across Europe, the Middle East and Africa. Most recently, Mr. Philip was an Executive Director in Standard Chartered Bank's mining and metals division, where he completed over 30 major transactions including mergers and acquisitions, financing across the capital structure, hedging strategies and restructuring with a combined value of over US\$20bn. Mr. Philip holds a master's degree in earth resources and environmental engineering from the Royal School of Mines, Imperial College London.

Louise Porteus – Environmental and Social Manager

Ms. Louise Porteus has over 30 years of experience in large-scale mining, infrastructure, energy, oil and gas, agribusiness, industrial, poverty reduction and urban development in the private sector and development finance institutions. She has expertise in environment and social management plans, internationally compliant ESIA's, resettlement action, stakeholder engagement and urban development projects.

Alfred Gillman – Group Exploration Manager

Alfred Gillman has a successful record in senior management and board roles across gold, base metals, uranium, and industrial mineral exploration. He was Group Exploration Manager at Harmony Gold – a major gold mining company – where he led the development of several major gold projects in Australia and Papua New Guinea. Mr. Gillman holds a Bachelor of Science (Honours) from the University of Western Australia and is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM) Chartered Professional (Geology).

More recently, he has served as a consultant to the resources industry through his wholly owned business Odessa Resources Pty Ltd and gained extensive experience in the US, Africa, Turkey, Central Asia, South America, Indonesia, China, and Russia. He has worked in Nigeria and was previously involved in the Segilola gold project. Mr. Gillman is also a Director of Billabong.

Economic moat

First-mover advantage: Thor is a first mover in southwest Nigeria, a high-potential underexplored area. The company holds approximately 915 sq. km of licences, comprising the Segilola gold project and eight additional licences located near the Segilola mine. The area is known for its small-scale artisanal and alluvial gold production. The company holds the strategic advantage of owning the only industrial scale processing plant on the gold-bearing Ilesha Schist Belt, which has a processing capacity of 715,000 tonnes per annum. It achieved its first gold production in July 2021 and is on track to reaching the targeted gold production levels in 2022.

Strong management: Thor’s management has strong experience and record in leading exploration activities in Nigeria. Its CEO led the reverse takeover by African Star BVI in August 2011 and played a key role in the acquisition of the Segilola gold project. The present executive administration has a robust record in corporate management and project development, while the members of the team have a proven record in mine construction, production and technical leadership.

Diversified asset portfolio: Thor’s assets are diversified by jurisdiction and stage of development. Its flagship Segilola gold project has already commenced production. The company continues to expand in the land packages surrounding the Segilola mine, acquiring new licences in prospective sections. Currently in the exploration stage, the second project – Senegal-based Douta gold project – has demonstrated promising gold estimates in the Makosa deposit. It is in a highly prospective mining jurisdiction and is 5km from the Sabodala-Massawa mine – the largest producing mine in Senegal (4.8Moz proven and probable reserves) – owned by Endeavour Mining Corporation. The third project – Central Houndé – adds depth to the company’s exploration portfolio.

Gold prices and rising demand: Gold’s overall performance hinges on diverse demand drivers including investors’ preference for safe haven assets during uncertain market conditions, consumer demand for jewellery (mainly from India and China) and central banks’ gold purchase. The use of gold in the technology sector, albeit small compared to other sectors, is on the rise and has far-reaching use in various critical equipment. The company produces a leading commodity, with huge demand in diverse sectors, providing significant tailwind to its operations.

Low-cost sustainable infrastructure: The Segilola project will likely use existing infrastructure and natural landforms to reduce costs and visual impact on the environment. Cost of building construction will likely be modest, with existing materials used wherever possible. Strategies, such as damming a local creek to provide raw water supply and installing a process plant and camp in a series of terraced areas, shall be used. The company is growth-oriented but aims to maintain the highest standards of corporate responsibility with respect to the environment, people and local communities.

Cost-effective mining technique: The LOM pit is distributed into five stages – which are defined on the basis of qualitative and quantitative aspects, grade and strip ratio, along with practical considerations such as proximity to potential ramps and access points. The underlying objective of this strategy is to manage waste effectively, enhancing the ability to manage cash flow requirement across the LOM.

SWOT analysis

Strengths	<p>Ownership of only industrial scale processing plant on gold-bearing Ilesha Schist Belt, with processing capacity of 715,000 tonnes of ore per annum</p> <p>Seasoned management, with decades of experience in Nigeria</p> <p>Diversified asset portfolio by jurisdiction and development stage</p> <p>Operations in Segilola deposit, which holds one of the highest gold grades (4.2g/t)</p> <p>One of lowest LOM AISC of US\$685/oz (Segilola project)</p> <p>Segilola gold project's very short gestation period of 1.1 years, with high IRR of 88.4%</p>
Weaknesses	<p>Thor has not incurred revenue, as its flagship project is developing full-production capabilities</p> <p>It is exposed to inherent uncertainties and risks tied to the construction of the Segilola gold project including unwarranted delays in construction, issues with contractors, inflation and currency movements</p> <p>Existing senior secured indebtedness limiting flexibility in planning for and reacting to changes in the industry in which it competes</p>
Opportunities	<p>Technology advancement will likely bring in cost and energy efficiencies</p> <p>Nigeria provides a stable political environment and is better placed than other mineral-rich African countries</p> <p>Nigeria boasts Africa's largest population of 211 million, providing access to cost-effective labour</p> <p>Barriers to entry are high, due to large CAPEX requirements and legal regulations</p> <p>Government incentives to support mining business – duty-free imports of equipment, five-year tax holiday, etc.</p> <p>Nigeria has been promoting the growth and development of mineral mining to diversify its highly oil-dependent GDP</p>
Threats	<p>Foreign exchange rate instability and high interest rates</p> <p>Water scarcity and power shortage are among the biggest threats to mining in Nigeria</p> <p>Changes in legal regulations and policies are a concern</p> <p>Although the road network is better than in other African countries, it is underdeveloped</p> <p>Volatility in commodity prices and currency fluctuations may hinder future plans</p> <p>Resource nationalism is a big threat to the industry because every country wants to protect its mineral resources</p>

Source: CSL Research

Operating highlights

Production – Resources and reserves

Project	Thor's Interest	Avg. Grade	Measured & Indicated (kt)	Measured, Indicated & Inferred (kt)	Measured & Indicated (koz Au)	Measured, Indicated & Inferred (koz Au)	Production Capacity (Au oz/ annum)
Segilola Gold Project	100%	4.66-4.78 g/t	4,060	4,493	608	676	85,000
Douta Gold Project	70%	1.5 g/t	-	15,300	-	730	In Pre-production stage
Total			4,060	19,793	608	1,406	85,000

Thor's Mineral Reserve Estimates

Project	Thor's Interest	Avg. Grade	Probable Reserve (Mt)	Contained Metal (koz Au)
Segilola Gold Project	100%	4.0 g/t	4	517
Douta Gold Project	70%		Not defined	
Total			4	517

Source: Company filings, CSL Research

Gold production achieved, expect major revenue in 2022

Thor did not report revenue during the first nine months of 2021, as commercial production commenced at a slightly-slower-than-expected pace. At end-July 2021, the company announced its first gold output from the Segilola mine. Thor produced 4,570 oz of gold as at end-November 2021. Gold production averaged just over 1,500 oz per week totalling 6,119 oz in December. It estimates gold output at 20,000-22,000 oz in Q1 2022 and 80,000-100,000 oz in FY22. Assuming 90,000 oz production for FY22 (mid-point of the guidance), the company is expected to generate US\$144m in annual revenue (assumed US\$1,600/oz base case gold price). The company guided for AISC costs of US\$850-950/oz of gold for FY22. Assuming US\$900/oz of AISC costs (mid-point of guidance), the company may incur core operating costs of US\$81m, providing an estimated gross margin of c.44% in FY22.

Debt profile and liquidity

Thor has around C\$97.8m of long term and short-term debt as of September 30, 2021, which is approximately 90% of the total liabilities. The company has already obtained all the necessary funding for the construction of the Segilola gold mine. Thor is expected to produce gold throughout 2022 and can comfortably meet its short-term liabilities (C\$35.5m). In our view, the company will also be able to repay its long-term debt driven by regular cash flows from production activities. Repayment of the aggregate long-term debt is scheduled in instalments over a 36-month period starting May 2022 till 2025. We expect the company to increase capital spending in the coming years towards further exploration activities, it may remain lower than in previous years.

Valuation

In our Base case, with a gold price assumption of US\$1,600/oz, we expect Thor to generate a combined net asset value of US\$380m using Sum of the Parts (SoTP) valuation, corresponding to a per share fair value of C\$0.77. We estimated present values of future cash flow during projected operating mine life of the company's flagship Segilola project. These estimates consider the standard 5-year tax holiday provided under Nigerian Pioneer Status legislation.

- Our model primarily followed the company's DFS estimates for Segilola project
- Segilola production estimates assumed 100% of the Measured and Indicated resources
- Our model assumed operating mine life of 7 years for Segilola
- We assumed current USD to CAD exchange rates for conversion
- We estimated the weighted average cost of capital (WACC) of 12.4% for discounting cash flow
- Our combined valuation assumed Douta and other exploration projects at latest book value due to pending feasibility studies

Production estimates – Segilola

Production Schedule	Units/Rate	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E
Gold Price	US\$/Oz	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Gold Price @1.26 USD/CAD	C\$/Oz	2,016	2,016	2,016	2,016	2,016	2,016	2,016	2,016
Ore mined	Kt	108	622	1,187	1,381	725	817	0	0
Ore milled	Kt	70	715	715	715	715	715	715	480
Gold grade, milled	g/t	5	4.70	4.88	3.45	5.40	5.29	1.25	1.09
Contained gold, milled	Koz	10	112	120	124	122	100	25	12
Average gold recovery	%	97%	97%	97%	97%	97%	97%	97%	97%
Gold production	Koz	10	109	117	120	118	97	24	12

Source: Company filings, CSL Research

Segilola Base NPV

Segilola Base Valuation	Units	2022E	2023E	2024E	2025E	2026E	2027E	2028E	Total
Gold production	Koz	109	117	120	118	97	24	12	597
Gold price	US\$	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Revenue	US\$m	174	187	192	189	155	39	19	955
Initial capex & other	US\$m	(103)	-	-	-	-	-	-	(103)
AISC	US\$m	(87)	(135)	(67)	(37)	(60)	(13)	(6)	(405)
Cash Flow	US\$m	(17)	52	126	152	95	26	13	447
NPV	US\$m	(15)	45	106	125	76	21	10	367

Source: Company filings 2021, CSL Research

Key operating metrics

Segilola valuation details	
Operating life (years)	7.0
Total tonnage (Kt)	4,060
Throughput (tpa)	715
Average grade (g/t)	4.20
Average gold production (Oz)	85,252
Gold price (US\$)	1,600
LOM AISC (US\$)	685
Initial capex (US\$m)	92,420
Discount rate	12.42%
After Tax NAV	367
Diluted shares (m)	623
NAVPS (US\$)	0.59
NAVPS (C\$)	0.74

WACC assumptions

Cost of Capital	
Nigeria 10Yr Treasury Rate	10.76%
Equity Risk Premium	15.12%
Beta	0.67
Ke	13.68%
Nigeria Prime Lending Rate	11.68%
Corporate Tax Rate	30%
Kd	8.18%

Weighted Average Cost of Capital

Equity	77%	13.7%	10.5%
Debt	23%	8.2%	1.9%
WACC			12.4%

Source: CSL Research

Thor – SOTP Valuation | Fair Value sensitivity to gold prices and cost of capital

SOTP Valuation	NAV (US\$)	NAVPS (C\$)
Segilola project	367	0.74
Douta and other projects	18	0.04
Working capital changes	(5)	(0.01)
THX Fair Value	380	0.77
Upside potential		175%

Sensitivity Analysis		Gold Price (US\$/Oz)				
		1,400	1,600	1,800	2,000	2,200
WACC	10.4%	0.58	0.79	1.00	1.21	1.42
	11.4%	0.57	0.78	0.99	1.20	1.40
	12.4%	0.57	0.77	0.97	1.18	1.38
	13.4%	0.56	0.76	0.96	1.16	1.36
	14.4%	0.55	0.75	0.95	1.14	1.34

Source: THX closing share price on 29 March 2022, CSL Research

We outlined several scenarios to assess potential impact of change in gold prices on Thor's share price. These scenarios assume US\$200 per interval change in gold price and a 1 percentage point per interval change in WACC. Our best-case situation yields a fair value per share of C\$1.42 at US\$2,200 gold price and 10.4% WACC. On the other hand, worst case scenario indicates a fair value per share of C\$0.55 at US\$1,400 gold price and 14.4% WACC. Notably, considering current gold spot trade levels of well above US\$1,900, potential fair value per share corresponds to C\$1.14 at 14.4% WACC.

Risks

Exploration and operating uncertainties: Thor operates a high-risk mineral exploration and development business. Its operations are exposed to several risks including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, floods and other conditions involved in the drilling and removal of material, which may damage or destroy mines and other production facilities, damage life or property, damage the environment and lead to legal battles. Furthermore, initial company expenditure may not lead to the discovery of commercial quantities of minerals.

Gold prices: Traditionally, gold has been seen as a safe haven. Over the last couple of years through COVID-19, gold price has enjoyed a sustained rise. However, the global effects of the pandemic seem to be receding gradually, which may adversely impact gold prices. Gold price fluctuates widely and is affected by numerous factors beyond the company's control such as the sale or purchase of gold by central banks and financial institutions, interest rates, exchange rates, inflation or deflation, global and regional supply and demand, and political and economic climate of major gold-producing countries.

Government regulations: The company's mineral exploration and development activities may be subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. Adverse regulatory revisions may impact the company's operations including restrictions on future exploration and production, price curbs and export controls, among others.

COVID-19: The emergence of the COVID-19 pandemic has led to a severe adverse effect on the business environment on a global scale. There exists a risk that significant outbreak of the pandemic worldwide may be detrimental to the company's operations in Nigeria and Senegal. The impact of the virus in both Nigeria and Senegal to date has not been as large as in Europe or the US. Moreover, while infection rates have risen in recent months in both countries, they are far below those in western countries.

Exchange rates: Fluctuations in exchange rates, principally Nigerian naira, West African CFA franc, British pound, US dollar and Australian dollar, and other exchange rates to a lesser extent can impact the company's earnings and cash flows.

THX Model projections

Balance Sheet ('000 C\$)	2018	2019	2020	gM21A	4Q21E	2021E	2022E	2023E	2024E	2025E
Cash	304	5,403	28,262	3,398	10,900	10,900	121,560	254,020	392,154	528,759
Restricted cash	-	-	4,460	4,459	4,459	4,459	4,459	4,459	4,459	4,459
Inventory	-	-	-	1,745	420	420	4,541	4,874	5,028	4,947
Amounts receivable	1,711	1,146	57	2,430	2,028	2,028	10,951	11,755	12,124	11,929
Prepaid expenses, advances and deposits	138	200	553	1,067	1,067	1,067	1,067	1,067	1,067	1,067
Total current assets	2,153	6,749	33,331	13,099	18,875	18,875	142,579	276,175	414,832	551,161
Deferred income tax assets	-	15	47	44	44	44	44	44	44	44
Prepaid expenses, advances and deposits	23	23	195	147	147	147	147	147	147	147
Right of use assets	-	108	88	37	37	37	37	37	37	37
Property, plant and equipment	255	137	91,856	150,127	149,867	149,867	152,879	156,111	159,446	162,726
Exploration and evaluation assets	42,802	46,680	15,989	18,331	18,331	18,331	18,331	18,331	18,331	18,331
Total non-current assets	43,081	46,964	108,174	168,685	168,426	168,426	171,438	174,670	178,005	181,285
Total Assets	45,234	53,713	141,505	181,785	187,301	187,301	314,016	450,845	592,837	732,446
Accounts payable and accrued liabilities	1,506	1,033	10,916	10,020	4,205	4,205	2,725	1,950	2,011	1,979
Gold stream liability	-	-	6,068	15,033	15,033	15,033	15,033	15,033	15,033	15,033
Loans and other borrowings	893	-	68	20,482	20,482	20,482	20,482	20,482	20,482	20,482
Total current liabilities	2,400	1,094	17,091	45,534	39,719	39,719	38,240	37,465	37,526	37,494
Gold stream liability	-	-	25,349	22,212	22,212	22,212	22,212	22,212	22,212	22,212
Loans and other borrowings	1	-	20,532	40,067	40,067	40,067	40,067	40,067	40,067	40,067
Provision for restoration costs	-	-	619	1,873	1,873	1,873	1,873	1,873	1,873	1,873
Total non-current liabilities	1	35	46,499	64,152	64,152	64,152	64,152	64,152	64,152	64,152
Total Liabilities	2,401	1,129	63,591	109,686	103,871	103,871	102,392	101,617	101,678	101,646
Common shares	52,269	67,550	97,123	99,803	99,803	99,803	99,803	99,803	99,803	99,803
Share purchase warrants	533	533	475	-	-	-	-	-	-	-
Option reserve	4,764	4,902	5,846	5,773	5,773	5,773	5,773	5,773	5,773	5,773
Currency translation reserve	1,341	559	(770)	(3,397)	(3,397)	(3,397)	(3,397)	(3,397)	(3,397)	(3,397)
(Deficit)/ Surplus	(16,074)	(20,961)	(24,759)	(30,080)	(18,749)	(18,749)	109,446	247,050	388,980	528,622
Total shareholders' equity	42,833	52,583	77,915	72,098	83,430	83,430	211,625	349,229	491,159	630,800

Income Statement ('000 C\$)	2018	2019	2020	gM21A	4Q21E	2021E	2022E	2023E	2024E	2025E
Revenue	-	-	-	-	20,279	20,279	219,018	235,093	242,484	238,573
Mining costs	-	-	-	-	5,412	5,412	58,448	62,738	64,711	63,667
Processing costs	-	-	-	-	1,740	1,740	18,795	20,174	20,808	20,473
G&A expenses	4,174	4,593	3,705	3,031	785	3,815	8,474	9,096	9,382	9,231
Freight and refining expenses	-	-	-	-	91	91	978	1,050	1,083	1,065
Royalties	-	-	-	-	382	382	4,128	4,431	4,571	4,497
Total Operating Expenses	4,174	4,593	3,705	3,031	8,409	11,440	90,823	97,489	100,554	98,932
Operating Income	(4,174)	(4,593)	(3,705)	(3,031)	11,870	8,839	128,195	137,604	141,930	139,641
Interest expense	(35)	(65)	(3)	(1)	-	-	-	-	-	-
Foreign exchange gain / loss	-	(244)	(192)	(1,223)	-	-	-	-	-	-
Other	-	-	-	(1,615)	-	-	-	-	-	-
EBT	(4,209)	(4,903)	(3,900)	(5,869)	11,870	8,839	128,195	137,604	141,930	139,641
Tax expense	17	15	30	-	-	-	-	-	-	-
Net Income	(4,192)	(4,887)	(3,870)	(5,869)	11,870	8,839	128,195	137,604	141,930	139,641
Diluted EPS	(0.01)	(0.01)	(0.01)	(0.01)	0.02	0.01	0.21	0.22	0.23	0.22
Shares Outstanding ('000)	370,683	449,352	621,406	631,900	631,900	631,900	631,900	631,900	631,900	631,900
Diluted Shares ('000)	335,082	376,502	549,385	622,723	622,723	622,723	622,723	622,723	622,723	622,723

Cash Flow Statement ('000 C\$)	2018	2019	2020	gM21A	4Q21E	2021E	2022E	2023E	2024E	2025E
Net profit / loss for the period	(4,192)	(4,887)	(3,870)	(5,869)	11,870	6,000	128,195	137,604	141,930	139,641
Depreciation	51	127	112	60	-	60	-	-	-	-
Stock based compensation	2,110	138	908	-	-	-	-	-	-	-
Operating cash before Working capital changes	(2,031)	(4,623)	(2,850)	(5,809)	11,870	6,061	128,195	137,604	141,930	139,641
Changes in working capital:	-	-	-	-	(4,089)	(4,089)	(14,524)	(1,912)	(462)	244
Net operating cash flows	(1,621)	(2,596)	27,784	(6,856)	7,781	925	113,672	135,692	141,469	139,885
Mineral property expenditures	(5,726)	(5,124)	(39,620)	(54,195)	(279)	(54,474)	(3,012)	(3,233)	(3,334)	(3,280)
Other	(1,983)	(885)	(7,125)	(2,666)	-	(2,666)	-	-	-	-
Net investing cash flows	(7,708)	(6,009)	(46,745)	(56,861)	(279)	(57,140)	(3,012)	(3,233)	(3,334)	(3,280)
Proceeds from issuance of equity securities	10,147	14,185	19,243	1,691	-	1,691	-	-	-	-
Proceeds from loans & gold stream liability	-	-	27,927	34,782	-	34,782	-	-	-	-
Other	(737)	(498)	(5,818)	(604)	-	(604)	-	-	-	-
Net financing cash flows	9,410	13,688	41,352	35,870	-	35,870	-	-	-	-
Effect of exchange rates on cash	(16)	16	467	2,985	-	2,985	-	-	-	-
Net cash	64	5,099	22,859	(24,863)	7,502	(17,361)	110,660	132,459	138,135	136,605
Cash, beginning of the period	240	304	5,403	28,262	3,398	28,262	10,900	121,560	254,020	392,154
Cash, end of the period	304	5,403	28,262	3,398	10,900	10,900	121,560	254,020	392,154	528,759

Source: Company filings, CSL Research

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