

RECOMMENDATION

Buy

Solidcore Resources (CORE)

Upside: **36%**Target Price: **\$7.5**Last price: **\$5.5**

coverage initiation

STOCK MARKET

Equity Valuation | DCF

Kazakhstan | Gold Production

Solidcore: Gold Rush - 2025



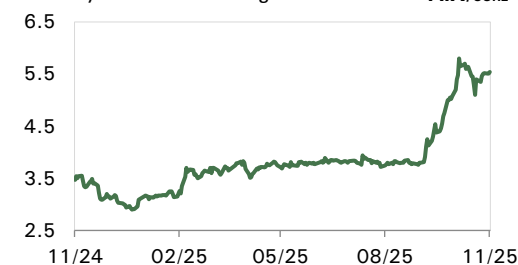
Revenue, 6M'25 (million USD)	325
EBITDA, 6M'25 (million USD)	175
Net Profit, 6M'25 (million USD)	85
Au Production, 6M'25 (koz)	123

P/E, 6M'25 (x)	6.9x
EV/EBITDA, 6M'25 (x)	5.5x
EV/S, 6M'25 (x)	2.3x
ROA, 6M'25 (%)	19%
ROE, 6M'25 (%)	28%
ROIC, 6M'25 (%)	22%
EBITDA Margin (%)	54%

Market Capitalization (million USD)	2,605
Shares issued (million units)	474
Free float (%)	69.6%
52-week min/max (GBP)	2.85-5.82
Current price (GBP)	5.5
Target Price (GBP)	7.5
Upside (%)	36%
Investment horizon	6-12 months

Stock dynamics / exchange/ticker

AIX/CORE



Performance (%)	3-month	6-month	12-month
Absolute	48%	49%	60%
vs KASE Index	39%	27%	26%

We set our target price at \$7.5 per share for Solidcore Resources PLC (the "Company"), implying an upside potential of 36% from the current market level. We assign the shares a "Buy" rating.

Solidcore stock remains significantly undervalued relative to our DCF-based fair value estimate, reflecting our view of: (1) stable long-term production supported by a strong resource base, (2) construction of an in-house hydrometallurgical plant (POX), and (3) positive momentum in global gold prices.

An experienced gold producer with strong assets. Solidcore Resources is the second-largest gold producer in Kazakhstan, with an annual output of around half a million ounces. The Company owns two key gold mining projects that have been operating steadily for several years. The flagship Kyzyl project holds proven and probable reserves of nearly 10 million ounces of gold, featuring a relatively low cost per ounce. The second major asset is the Varvara Hub, which comprises several deposits with combined reserves exceeding 2 million ounces of gold and approximately 47 thousand tons of copper. The Company also owns a stake in the Syrymbet project, which is expected to produce tin in the future.

Construction of an in-house pressure oxidation plant. Previously, the refractory gold concentrate from the Kyzyl project was processed at the Amursk POX plant in Russia under legacy operational arrangements. To mitigate sanctions-related risks, the Company has launched the construction of its own Ertis Hydrometallurgical Plant (Ertis POX) in the Pavlodar region. The new plant will employ pressure oxidation (POX) technology, ensuring efficient and environmentally friendly processing of Kyzyl concentrate. The design capacity of Ertis POX will reach up to 300 thousand tons of concentrate per year, enabling the production of around 15 tons of Dore alloy with 96–98% gold content.

Gold price growth and investment appeal. In 2025, global gold prices continued to rise amid a slowing world economy and expectations of monetary easing by major central banks. According to several investment bank forecasts, gold prices are likely to remain strong into 2026. Against this backdrop, Solidcore Resources shares represent an attractive investment opportunity, given the Company's current market undervaluation. Our DCF model and relative valuation both indicate substantial upside potential for the stock.

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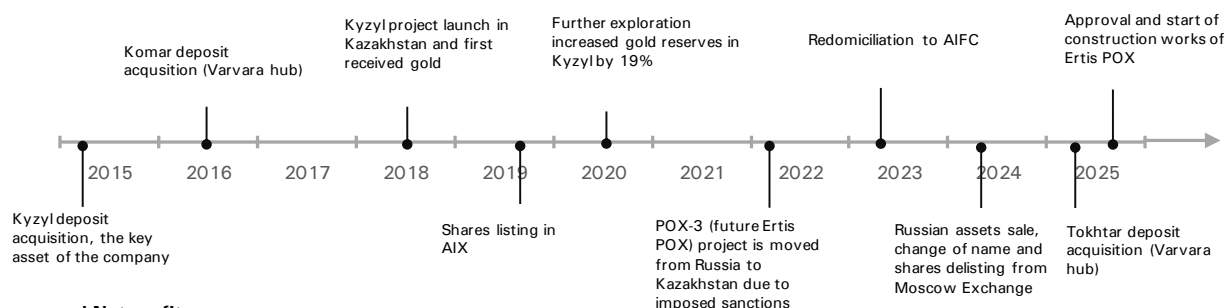
Solidcore Resources: Financial Performance

Income statement, million USD					Balance sheet, million USD				
	2023	2024	1H24	1H25		2023	2024	1H24	1H25
Revenue	893	1,328	704	325	Receivables	266	26	37	67
Cost of sales	441	621	358	155	Inventories	1,178	178	194	330
Gross profit	452	707	346	170	Cash and cash equivalents	842	696	761	351
G&A	71	65	35	34	Other	357	88	95	121
Other income & expenses, net	-34	-33	-19	-9	Current assets	2,643	988	1,087	869
EBIT	347	609	292	127	PP&E	2,998	819	832	901
Finance costs	-29	-21	-9	-8	Non-current receivables	107	129	28	127
Finance income	16	30	10	18	Investments in JV	129	80	6	80
Forex loss, net	170	31	-6	-8	Other	403	53	55	63
Profit before tax	502	649	287	118	Total assets	6,280	2,069	2,008	2,040
Net profit	272	533	238	85	Non-current borrowings	2,220	143	185	103
					Deferred tax liabilities	252	47	54	48
					Other	176	58	39	65
					Non-current liabilities	2,648	248	278	216
					Current borrowings	1,005	179	219	105
					Payables	240	70	71	62
					Other taxes payable	81	31	31	41
					Other	53	26	37	8
					Current liabilities	1,379	306	358	216
					Equity	2,253	1,515	1,372	1,608
					Liabilities and equity	6,280	2,069	2,008	2,040
Growth and margins (%)									
	2023	2024	1H24	1H25					
Revenue growth rate	-	33%	44%	-54%					
EBIT growth rate	-	76%	74%	-57%					
Gross margin	51%	53%	49%	52%					
EBIT margin	39%	46%	41%	39%					
EBITDA margin	49%	53%	48%	54%					
Net profit margin	30%	40%	34%	26%					
Cash Flow, million USD									
	2023	2024	1M24	1H25					
CFO	575	823	517	-86					
CFI	-706	-759	-470	-149					
CapEx	-679	-279	-174	-128					
M&A	0	-82	0	0					
CFF	359	-181	-101	-116					
Borrowings obtained	1,324	359	359	21					
Repayment of borrowings	-944	-539	-459	-137					
Net cash flow	228	-117	-54	-351					
Free cash flow	-128	538	337	-229					
Reference data					Liquidity and capital structure				
	2023	2024	1H24	1H25		2023	2024	1H24	1H25
Shares outstanding, million shares	474	474	474	474	Debt/Market cap, %	157%	23%	34%	9%
Share book value, USD	4.8	3.2	2.9	3.4	Debt/Assets, %	53%	16%	21%	12%
Share market value, USD	4.5	3.2	2.7	5.5	Debt/Equity, %	148%	23%	31%	15%
Market capitalization, million USD	2,131	1,502	1,255	2,605	Debt/Invested capital, %	68%	28%	38%	16%
EV, million USD	2,973	2,198	2,017	2,956	Equity/Assets, %	36%	73%	68%	79%
CapEx, million USD	679	279	174	128	Assets/Equity, x	2.79x	1.37x	1.46x	1.27x
Working capital, million USD	1,460	166	190	415					
Reinvestments, million USD	931	-1,015	-1,091	353					
BV, million USD	2,253	1,515	1,372	1,608					
EPS, USD per share	0.6	1.1	0.5	0.2					
					Multiples				
	2023	2024	1H24	1H25		2023	2024	1H24	1H25
					P/B	0.9x	1.0x	0.9x	1.6x
					P/E	7.8x	2.8x	5.3x	6.9x
					EV/EBITDA	6.9x	3.1x	3.5x	5.5x
					EV/S	3.3x	1.7x	1.7x	2.3x

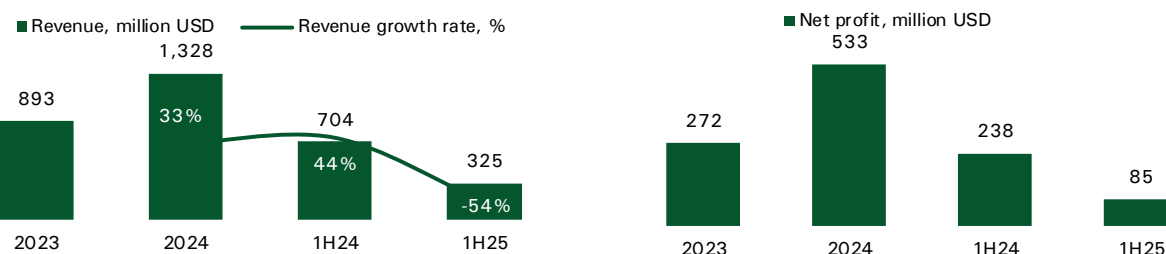
Company data

Solidcore Resources: Events and Value Drivers

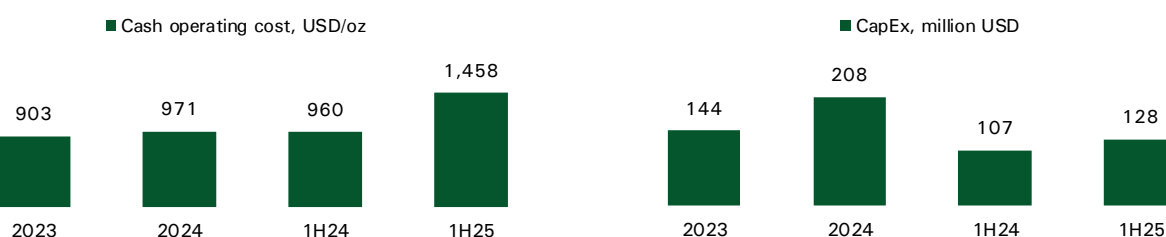
Key events of Solidcore Resources since 2015



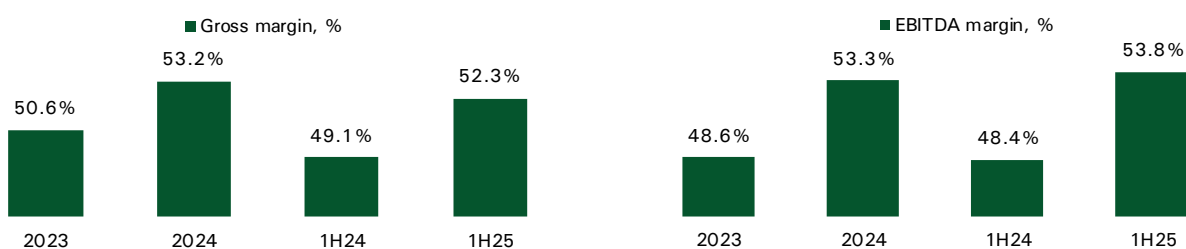
Revenue and Net profit



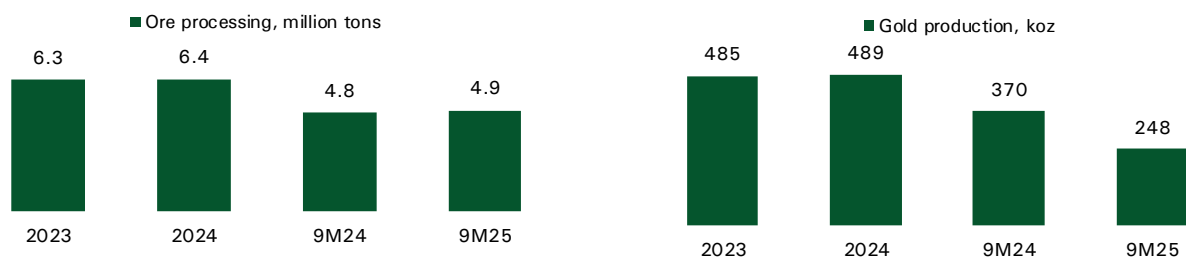
Operating cost and CapEx



Margins and profitability



Operating numbers



Company data

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Solidcore Resources: Assumptions and Valuation Model

Investment summary. We believe that Solidcore Resources shares look attractive for purchase. The Company has extensive experience in large-scale gold production and has demonstrated a stable level of output at its existing Kazakh projects for many years, showing a high probability of future operational stability. The Kyzyl project is the main asset with a relatively low production cost and proven and probable gold reserves of 10 million ounces, which may further increase after a revaluation based on higher market gold prices. The Company has operational links with Russia, which represents one of the main operational risks and has already materialized in the first half of this year. Nevertheless, the Company has started the construction of the Ertis POX plant in the Pavlodar region, which will be used to process both its own and third-party concentrate. Thus, the Company will be able to establish a full gold production cycle within Kazakhstan and eliminate risks associated with Russia.

Target price per common share – \$7.5. We have calculated our target price at \$7.5 per share, implying a 36% upside potential from the last market price. This target price represents the final result of modeling our assumptions within the DCF framework.

We assign the Company's shares a "Buy" rating. Solidcore shares appear undervalued relative to our DCF-based valuation, reflecting our view on (1) stable long-term production supported by strong assets, (2) construction of the new POX facility, and (3) the recent increase in market gold prices.

Key elements of the DCF model. The key element of the valuation model was the calculation of the Company's revenue, operating, and capital expenditures. Overall, the valuation is based on the current gold mining assets — Kyzyl and Varvara hub — as well as the expected capital expenditures for the Ertis POX project. It should be noted that the positive effect from the launch of the POX plant is not fully reflected, while the planned capital expenditures for its construction and commissioning are fully included in the model. Revenue is calculated based on the Company's current estimates of reserves and mineral resources and forecasted gold prices.

Revenue. The valuation model is based on the latest estimates of the Company's reserves and mineral resources as of January 1, 2025. The forecast period of the valuation model is 26 years, corresponding to the life of mine of the Kyzyl project within its proven and probable (2P) gold reserves. The Varvara hub's life of mine ends in 2044, six years before the end of the forecast period. Production and processing volumes are expected to remain stable, allowing the Company to produce around 470 thousand ounces of gold annually, with a slight decline to 464 thousand ounces. Forecasted gold prices are based on the median values of investment bank analyst forecasts presented in the Bloomberg terminal. The average price of gold per ounce is expected to reach nearly \$4,000 in 2026, followed by a decline to about \$3,000 in 2029. In the following years of the model, the price is conservatively fixed at this level without further growth. As a result, the Company's revenue is expected to peak at \$1.9 billion in 2026, then gradually decrease and stabilize at around \$1.4 billion annually.

Operating expenses. Cash operating costs are divided into four categories: mining, processing, purchase of ore and concentrate from third parties, and mineral tax. The first two expense types are calculated per ton of mined and processed ore, and this rate increases annually in line with assumed 2% U.S. inflation. In 2030, we assume a 20% reduction in unit processing costs after the launch of the Ertis POX plant. Mineral tax is calculated based on current tax rates, which are expected to remain unchanged throughout the forecast period. Ore purchase costs are assumed stable in physical terms but vary proportionally with forecasted market gold prices. As a result, the unit cash cost per ounce of gold will reach \$1,192 in 2026 versus \$954 in 2024 and gradually increase to \$1,741 by the end of the forecast period.

Capital expenditures. Capital expenditures were calculated based on the latest available data and divided among the three projects. While capex for the Kyzyl and Varvara hub projects is assumed to be ongoing and consistent, the Ertis POX project will have elevated expenditures until 2029 due to construction. Current project capex is based on the unit cost per ounce of gold produced and grows annually in line with inflation. For the Ertis POX project, we estimate total capex at \$978 million. Since \$174 million has already been spent over the past 2.5 years and management's forecast for 2025 is \$300 million in total capex, we evenly distributed the remaining costs over the next four years at \$176 million per year. Later, sustaining capex is expected to equal half of the Kyzyl project's maintenance expenditures. Depreciation and amortization are calculated using current historical rates and grow in line with capital investments.

Working capital and WACC. Working capital was calculated using seven key items of current assets and liabilities, based on their average historical ratios to revenue and cost of sales. The weighted average cost of capital (WACC) is based on a 30-year U.S. Treasury yield of 4.54%, as the Company's revenue and valuation model are denominated in U.S. dollars. Given that the Company operates in Kazakhstan, we applied an additional country risk premium of 3.07%, based on Damodaran's country risk premium estimates and Kazakhstan's sovereign CDS spreads. Combined with a beta of 1.14 and the overall equity risk premium, the cost of equity amounted to 12.2%. The weighted average cost of debt was 5.3% in the first half of 2025. Thus, the final WACC figure is 11.7%.

Relative valuation. The relative valuation of the Company using forecasted financial metrics of 30 gold mining companies from Asia, Africa, and Latin America provides an indicative value of \$11.5 per share. Peers were selected based on comparable market capitalization, with a median value of \$2.2 billion. As the Company's results for the first half of 2025 were weaker due to one-off events, we used forecasted full-year 2025 net income, EBITDA, and revenue figures from our DCF model. Different weights were assigned to each parameter, with EV/EBITDA given the highest weight of 80%.

In conclusion, we valued Solidcore using the DCF method based on forecasted cash flows from gold sales. Production forecasts are supported by reserve and resource estimates for the two current projects, which have been successfully operating for several years. The under-reflected positive impact of the Ertis POX project in the valuation model suggests potential additional upside. The main value driver is the gold price, which at a stable level of \$3,000 per ounce supports the indicated fair value. On the other hand, potential downside risks include a drop in gold prices, geopolitical

factors, and sanctions-related exposure to the Company's Russian partners.

Solidcore Resources: History and General Information

Second-largest gold producer in Kazakhstan. Solidcore Resources plc (hereinafter – the “Company”) is a gold producer with several gold-bearing assets, as well as a processing facility currently under construction. The main assets where ore mining and gold production are already underway are the Kyzyl deposit and the Varvara hub, located in the Abai and Kostanay regions, respectively. The Company also holds a 55% stake in the Syrymbet deposit, where the main resource is tin.

Company history and industry development milestones. The Company’s history began in 1998 with the establishment of Polymetal in the Russian Federation. It should be noted that in 2024 the Russian part of the business was sold by the Company, which was subsequently restructured into JSC Polymetal. The Company’s operations in Kazakhstan began in 2009 with the acquisition of the Varvara deposit, where gold mining and processing were already ongoing, supported by an operating gold leaching facility. In 2016, Polymetal acquired the Komar deposit, located near Varvara, and the two assets were combined into a single Varvara hub. In 2014, Polymetal acquired the Company’s current flagship asset — the promising Kyzyl deposit — for \$618 million. In 2017, the transportation of nearly two million tons of ore by rail from the Komar deposit to Varvara for processing began. In 2018, the Company launched gold production at Kyzyl according to the original development plan. In 2019, an updated gold reserve estimate for Kyzyl was completed, extending the mine life by 8 years. That same year, Polymetal became the first foreign company to list on the Astana International Exchange (AIX). In 2020, further exploration increased Kyzyl’s gold reserves by another 19%, extending the mine’s life to 30 years. In 2023, the Ertis POX project was added to the Company’s asset portfolio, with a planned commissioning date in 2028. This project will process concentrate from Kyzyl and third-party suppliers. In 2023, Polymetal came under U.S. sanctions amid the Russia–Ukraine conflict, and in May 2023 the Company announced plans to redomicile its legal entity to the AIFC. In August, Polymetal successfully completed its re-registration in Kazakhstan and ended trading on the London Stock Exchange on August 1. As part of the redomiciliation, Polymetal’s management resigned from all positions in its Russian subsidiaries. On March 11, 2024, all Russian assets were sold, and the Company’s operations became fully Kazakhstan-based. A new Chairman of the Board, Omar Bakhram, was appointed. In June 2024, Polymetal International plc officially changed its name to Solidcore Resources plc. Due to sanctions against the Moscow Exchange, the Company delisted its shares in September 2024. Also in 2024, the Company acquired a 55% stake in the Syrymbet project — a major tin deposit in Northern Kazakhstan — for \$82 million. In December 2024, the Board of Directors approved the construction of the Ertis POX plant, which began in 2025. In March 2025, the Company acquired the Tokhtar gold deposit, which was incorporated into the Varvara hub due to its proximity.

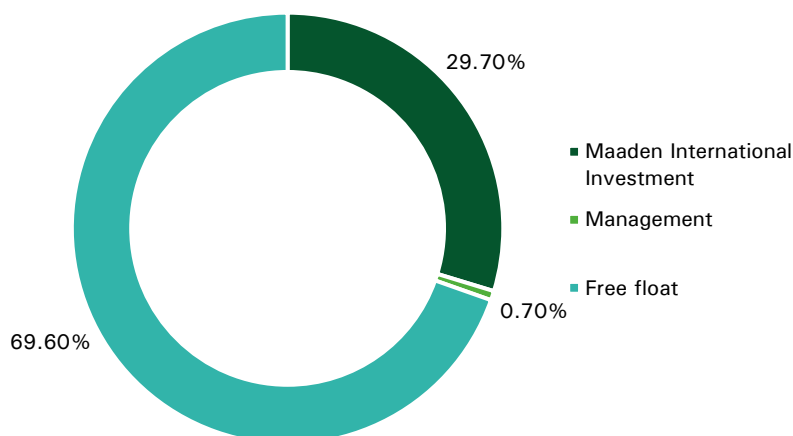
Table 1. List of the Company's subsidiaries and their main activities as of June 30, 2025

Entity	Main activity	Percentage ownership as of June 30, 2025, %
Varvarinskoye JSC	Gold production and mining	100
(Bakyrchik Mining Venture LLP	Gold production and mining	100
Komarovskoye Mining Company LLC	Gold production and mining	100
Ertis Hydrometallurgical Plant LLC	Ore processing	100
Tin One Holding (Syrymbet)	Gold production and mining	55

Company data

Management, shares, and primary shareholding structure. As of June 30, 2025, the total number of Solidcore common shares amounted to 473,690,320. A 29.7% stake is owned by Maaden International Investment SPC, a consortium of investors from Oman. This company acquired a 23.9% stake from ICT Holding on January 29, 2024. Company management holds a 0.7% stake, while the remaining 69.6% of shares are in free float. The Chief Executive Officer (CEO) is Vitaly Nesis, who has been with the Company since 2011 and has 28 years of total industry experience. The Chief Financial Officer (CFO) is Evgenia Onushchenko, appointed in 2024, with 17 years of experience in the Company and 21 years in total. The Chairman of the Board of Directors is Omar Bakhram, appointed in 2024, with over 14 years of experience in M&A and consulting in legal and corporate matters.

Chart 1. Company ownership structure as of June 30, 2025



Company data

Dividend policy. According to the previous dividend policy of Polymetall International plc, the Company intends to distribute 50% of net profit as dividends if the net debt-to-EBITDA ratio is below 2.5x. The Company may also increase dividends up to 100% of free cash flow if free cash flow exceeds 50% of net profit. However, in 2023 the Company announced a suspension of dividend payments during the construction period of the Ertis POX plant, which is expected to be completed in 2028. Additionally, the decision on dividend payments may be affected by the situation with shares frozen in the Russian National Settlement Depository (NSD), which is under U.S. sanctions. On July 14, 2025, the Company reported that 8.5% of shares remained blocked, and in response announced a final offer for exchange and mandatory repurchase of the frozen shares. As of October 10, the Company managed to repurchase 1.11% of shares at

\$2.57 per share in exchange for new shares issued on AIX. The opportunity to exchange shares in this manner is available until October 31, 2025.

Overview of Solidcore Resources Operating Activities

Solidcore Resources has four key mining-related assets. Three of them are deposits, while one is a prospective processing facility. Of the three deposits, two are gold deposits, and one is a prospective tin deposit. It is worth noting that these deposits are also divided into several additional sections.

Varvara hub. The Varvara hub is located in the Kostanay region and includes the Komar and Varvara deposits, as well as a flotation concentrator. In addition, the prospective deposits within the Varvara hub include Elevator, Baksy, and Tavrisheskoye. Geological exploration is already underway at the first two. Production at the Varvara deposit began in 2007, and the hub's life of mine is expected to end in 2042. Ore is mined by open-pit methods, with total annual ore production of approximately 2.8 million tons. Processing capacity for gold-bearing ore reaches 3.2 million tons per year, which also allows the Company to process third-party ore. The Komar deposit was acquired by the Company in 2016 for \$100 million near the Varvara site. As a result, the Company decided to establish a hub and utilize Varvara's processing facilities for ore from Komar, which is transported by rail at a rate of around 2 million tons per year. Proven and probable (2P) gold reserves at the Varvara hub as of the beginning of 2025 amount to 2.05 million ounces of gold with an average grade of 1.2 grams per ton. The measured, indicated, and inferred gold resources total almost 1 million ounces. In addition to gold, the ore also contains small amounts of copper. Proven and probable copper reserves total 46.8 thousand tons, and production is carried out using flotation with a processing capacity of 1 million tons per year. The output is sold as doré and concentrate. In 2025, the Company plans to accelerate development preparation at the Baksy deposit and complete project documentation for the Elevator deposit, which is scheduled for commissioning in 2028. Expected annual production is 60 thousand ounces of gold until 2036. In March 2025, the Company also announced the acquisition of a 51% interest in the Tokhtar deposit, located 180 km from the Varvara hub. The latest assessment indicates total resources of 1.1 million ounces of gold under the JORC Code. The remaining stake will be acquired subject to certain conditions, including additional exploration. Completion of the resource assessment is expected by the end of 2028.

Kyzyl. Another important and the largest asset of the Company is the Kyzyl project, located in the Abay region. It includes the Bakyrchik refractory ore deposit and a processing plant. The asset was acquired by Solidcore in 2014 and, after four years of development, delivered its first production in the second quarter of 2018. Ore is mined by open-pit methods, with a transition to underground mining expected in 2033. Annual ore output is approximately 2.4 million tonnes. The gold grade here is significantly higher than at the Varvara hub, averaging about 5 grams per tonne. Proven and probable gold reserves as of early 2025 total nearly 10 million ounces. The Kyzyl project produces about 320 thousand ounces of gold per year. After processing, part of the concentrate is sent for third-party treatment at the Amursk POX in Russia, while another part is sold to external buyers. Once the Ertis POX plant is launched, further processing will be carried out internally by the Company.

Table 2. Proven and probable gold and copper reserves at the Kyzyl and Varvara hub projects as of January 1, 2025

JORC valuation	Ore, th. tons	Au grade, g/ton	Au, koz	Cu, th. tons	GE, koz
Total	116,350	3.2	12,018	46.8	12,147
Proven	28,560	1.7	1,478	31.6	1,539
Kyzyl	3,920	6.5	814	0.0	814
Varvara hub	24,640	0.9	664	31.6	725
Probable	87,790	3.8	10,540	15.2	10,608
Kyzyl	57,380	5.0	9,156	0.0	9,156
Varvara hub	30,410	1.5	1,384	15.2	1,452

Company data

Table 3. Measured, Indicated and Inferred Gold and Copper Resources at the Kyzyl and Varvara Hub Projects as of January 1, 2025

JORC valuation	Ore, th. tons	Au grade, g/ton	Au, koz	Cu, th. tons	GE, koz
Total	35,730	3.0	3,433	10.2	3,468
Measured	4,150	1.4	180	2.9	183
Kyzyl	160	3.3	17	0.0	17
Varvara hub	3,990	1.3	163	2.9	166
Indicated	17,620	2.3	1,268	3.8	1,284
Kyzyl	7,100	3.6	806	0.0	806
Varvara hub	10,520	1.4	462	3.8	478
Inferred	13,960	4.5	1,985	3.6	2,001
Kyzyl	7,740	6.5	1,618	0.0	1,618
Varvara hub	6,220	1.9	367	3.6	383

Company data

Syrymbet. Another standalone asset of the Company is the promising polymetallic Syrymbet deposit located in the North Kazakhstan region. The deposit was discovered in 1985. The first resource estimate under the JORC Code was completed in 2015. In November 2024, the Company acquired a 55% stake in the project from Lancaster Group for \$82.5 million. Lancaster Group retains a 45% share and will remain a partner in the project's further development. The deposit contains ore with simple geological conditions and hosts tin and copper. Accordingly, open-pit mining and conventional processing methods will be used. In 2024, the Company completed 3 km of drilling to confirm historical exploration results. For 2025, the Company plans to prepare a Feasibility Study, conduct environmental and technical assessments, and obtain Board approval for construction. The total measured, indicated, and inferred resources of the Syrymbet deposit as of early 2025, attributable to the Company's 55% share, amount to 206 thousand tons of tin and 74.4 thousand tons of copper.

Table 4. Measured, Indicated and Inferred Tin and Copper Resources at the Syrymbet Project as of January 1, 2025

JORC valuation	Ore, th. tons	Sn grade, %	Cu grade, %	Sn, tons	Cu, tons
Total	99,680	0.19	0.07	206,278	74,376
Measured	25,170	0.45	0.14	113,947	34,972
Indicated	13,250	0.14	0.07	18,403	8,714
Measured + Indicated	38,420	0.34	0.12	132,350	43,686
Inferred	61,260	0.12	0.05	73,928	30,691

Company data

Ertis POX. Another key asset of the Company is the Ertis Pressure Oxidation Plant (Ertis POX), which will become Kazakhstan's first full-scale autoclave oxidation facility with a complete production cycle. Ertis POX will be located in the Pavlodar region, with commissioning expected in 2028. The plant's designed capacity is up to 300 thousand tons of concentrate per year, with an operating life exceeding 30 years. Feedstock will include concentrate from Kyzyl and third-party refractory gold concentrates. The output capacity of Doré alloy is expected to reach about 15 tons per year with gold content of 96–98%. In December 2024, the Company's Board of Directors approved the construction of Ertis POX. That same month, the Company received the first construction permits. In April 2025, the autoclave unit was delivered, and full-scale construction is expected to begin in the second half of the year. The total planned capital expenditures for construction amount to \$978 million.

Production Overview of Solidcore Resources

Gold production at the Kyzyl and Varvara Hub projects has been ongoing for many years. Production at Kyzyl began in 2018, while operations at the Varvara Hub started in 2007. It should be noted that until 2023, these projects were owned by the Russian company Polymetal.

At Kyzyl, both ore mining and processing volumes have shown a steady upward trend in recent years. While ore mining totaled 2 million tons in 2019, it increased to 2.4 million tons in 2024 and grew by another 2.9% YoY in the first nine months of 2025. However, the average gold grade has gradually declined as higher-grade zones were depleted—from 7.4 g/t in 2019 to 5.0 g/t in 2024. For the first nine months of 2025, this figure improved slightly to 5.2 g/t. The annual gold output averaged around 320 thousand ounces in 2023–2024. In earlier years, production and sales volumes were higher, mainly due to richer ore grades. In the first nine months of 2025, gold sales declined by 46% YoY because of delays in concentrate shipments to the Amursk POX Plant in the first half of the year, caused by international sanctions against Russia. By the end of the second quarter, concentrate shipments resumed and stabilized in July. Of the 200 thousand ounces of gold in concentrate accumulated during the delay, the Company expects to ship and process 150 thousand ounces by the end of the year.

Table 5. Kyzyl Project Operating Numbers, 2023 – 9M 2025

Kyzyl operating numbers	2023	2024	9M24	9M25
Waste, th. tons	81,262	80,637	61,009	51,043
Ore mining, th. tons	2,427	2,409	1,796	1,848
Ore processing, th. tons	2,443	2,417	1,825	1,858
Average gold grade, g/ton	5.0	5.0	5.1	5.2
Gold in concentrate, koz	92	102	74	29
Dore produced at third-party POX, koz	224	217	172	104
Total gold production, koz	316	320	246	132

Company data

Gold production at the Varvara Hub declined somewhat in 2023–2024 compared to previous years. This was primarily due to a reduction in ore mining volumes from 3.9 million tons in 2022 to 2.8 million tons in 2023–2024. However, ore processing volumes have continued to grow and increased by 11% in 2024 compared to 2019. The transition to new mining zones led to a decline in average gold grade—from 1.6 g/t in 2022 to 1.4 g/t in 2023 and 1.3 g/t in 2024. As a result, annual gold production in 2023–2024 amounted to about 170 thousand ounces. For comparison, production reached 211 thousand ounces in 2022 and 137 thousand ounces in 2019, when both grades and processing volumes were lower. In the first nine months of 2025, gold production decreased by 7.4% YoY—from 125 to 115 thousand ounces—mainly due to a decline in the average gold grade in processed ore from 1.47 g/t to 1.35 g/t. It is also worth noting that copper production in the first nine months of 2025 totaled 1,127 tons, 24% lower than the previous year. Overall, copper grades remain low, averaging about 0.38% over the past six years.

Table 6. Varvara Hub Operating Numbers, 2023 – 9M 2025

Varvara hub operating numbers	2023	2024	9M24	9M25
Waste, th. tons	40,718	48,324	34,371	41,256
Ore mining, th. tons	2,834	2,792	1,893	2,060
Ore processing, flotation, th. tons	762	777	599	530
<i>Average gold grade, g/ton</i>	<i>2.3</i>	<i>2.3</i>	<i>2.4</i>	<i>1.9</i>
Ore processing, leaching, th. tons	3,136	3,179	2,331	2,492
<i>Average gold grade, g/ton</i>	<i>1.4</i>	<i>1.2</i>	<i>1.2</i>	<i>1.2</i>
Gold in concentrate, koz	40	41	32	23
Dore produced, koz	129	129	93	93
Copper in concentrate, ton	2,163	1,839	1,477	1,127
Total gold production, koz	169	170	125	115

Company data

Overall, total gold production across both projects has remained stable at around 490 thousand ounces over the past two years, although it peaked at 558 thousand ounces in 2021. In the first nine months of 2025, gold production declined by 33% YoY to 248 thousand ounces, largely due to delays in concentrate shipments for processing at the Kyzyl project. The average gold grade across both projects in the first nine months of 2025 was 2.9 g/t, slightly above the 2024 level of 2.8 g/t.

Table 7. Company-Wide Operating Numbers, 2023 – 9M 2025

Total operating numbers	2023	2024	9M24	9M25
Waste, th. tons	121,979	128,961	95,380	92,299
Ore mining, th. tons	5,260	5,201	3,689	3,908
Ore processing, th. tons	6,341	6,372	4,754	4,880
Average gold grade, g/ton	2.9	2.8	2.9	2.8
Total production volumes	2023	2024	9M24	9M25
Gold, koz	485	489	370	248
Silver, koz	30.8	18.8	13.8	10.7
Copper, tons	2,163	1,839	1,477	1,127
Gold equivalent (GE), koz	486	490	371	248

Company data

Summary of the Gold Industry Situation

Gold Prices. In recent months, gold prices have risen sharply amid strong demand and growing uncertainty over global economic growth due to the renewed U.S. trade wars with other countries, reaching a record high of \$4,300 per ounce in October 2025. The rally was also supported by the long-awaited monetary easing in the EU and the U.S. following a period of high inflation, the inflation itself (which typically benefits commodities), and increased central bank demand for gold. Overall, gold prices traded within a relatively long sideways range of \$1,100–1,400 during 2014–2018. Starting in 2019–2020, prices began to rise sharply as governments around the world ramped up spending during the Covid-19 pandemic. After reaching a peak of \$2,075 in July 2020, gold prices established a new consolidation range with the lower bound around \$1,700. The breakout from this range occurred in early 2024, after which prices climbed almost uninterruptedly. Since then, gold prices have nearly doubled, significantly outperforming U.S. equity market returns. The gold-to-S&P 500 ratio has approached 0.6, its highest level since 2020. The ratio last peaked in August 2011, when a sell-off occurred amid the European debt crisis and rising concerns over the creditworthiness of U.S. Treasuries. It is worth noting that the commodity supercycle of the 2000s also included gold, which appreciated in tandem with other commodities ahead of the 2008–2009 global financial crisis. However, unlike other commodities, gold has maintained its historical role as a monetary and store-of-value asset, which allowed prices to continue rising even during the financial crisis.

Chart 2. Gold Market Price Dynamics, 2004–2025, USD/oz



Bloomberg

Analyst Price Forecasts. As of the end of October, according to the most recent Bloomberg analyst consensus, the average gold price forecast stands at \$3,362 per ounce in 2026. Further projections suggest prices could rise toward \$4,000 per ounce by 2027, followed by a gradual decline to around \$3,000 per ounce by 2029.

Table 8. Latest Gold Price Forecasts by Investment Banks (Bloomberg Terminal), 2025–2029, USD/oz

Investment Bank	Forecast date	2025	2026	2027	2028	2029
Morgan Stanley	23 October 2025	3,398	4,400	3,750	3,250	2,871
Citigroup Inc	22 October 2025	3,400	3,250	2,800		
Standard Chartered Bank	21 October 2025	3,402	4,488	4,350		
HSBC Holdings PLC	17 October 2025	3,455	4,600	3,950	3,630	
JPMorgan Chase & Co	17 October 2025	3,356	4,193	3,576	3,715	3,614
BMI	15 October 2025	3,250	3,200	2,900	2,700	2,500
Peel Hunt LLP	14 October 2025	3,374	3,775	3,500	3,000	3,000
Bank of America Merrill Lynch	13 October 2025	3,352	4,438	3,300	3,143	2,986
Societe Generale SA	13 October 2025	3,455	4,716			
Barclays PLC	10 October 2025	3,338	3,950	4,000	3,000	2,500
Berenberg	7 October 2025	3,362	3,950	3,800	3,500	3,250
Commerzbank AG	7 October 2025	4,000	4,200			
Goldman Sachs Group Inc/The	7 October 2025	3,400	4,525			
Deutsche Bank AG	6 October 2025	3,138	3,069	3,000	3,533	
Emirates NBD PJSC	2 October 2025	3,352	3,900			
MPS Capital Services Banca per le Imprese SpA	1 October 2025		4,000			4,000
Macquarie Group Ltd	1 October 2025	3,335	3,475	2,825	2,875	3,000
Panmure Liberum	1 October 2025	3,361	3,475	2,525	2,058	1,975
Median		3,362	3,975	3,500	3,143	2,993

Bloomberg

Gold Supply. In 2024, according to the World Gold Council, global gold production amounted to approximately 3.66 thousand tons. Overall, most countries around the world produce gold to some extent. The leading gold producer is China, which produced 380 tons of gold in 2024, accounting for 10.4% of global output. Other major gold-producing countries include Russia, Australia, and Canada, each contributing over 5% of the global supply. Kazakhstan ranked 15th globally, producing 87 tons of gold in 2024. Gold production in Kazakhstan has increased by 67% since 2015, when the figure stood at 52 tons. Over this period, Kazakhstan's share in global gold supply rose from 1.5% to 2.4%.

Table 9. Global Gold Production by Country, 2015–2024, tons

Country	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
China	460	464	429	404	383	368	332	375	378	380
Russia	255	262	281	295	327	332	331	330	322	330
Australia	279	288	293	313	325	328	307	306	296	284
Canada	158	163	171	192	185	173	193	195	192	202
USA	217	229	236	223	200	193	187	173	170	158
Ghana	95	131	133	149	142	130	125	137	131	141
Mexico	132	131	120	118	109	110	125	124	127	140
Indonesia	115	118	119	153	98	101	105	129	132	140
Peru	171	166	167	163	143	102	127	126	129	137
Uzbekistan	79	90	91	92	93	100	105	111	120	129
Mali	71	83	75	90	98	94	101	102	103	100
Kazakhstan	52	59	67	74	75	79	78	83	88	87
Other	1,278	1,332	1,398	1,393	1,426	1,372	1,460	1,455	1,452	1,433
TOTAL	3,362	3,516	3,581	3,658	3,606	3,483	3,575	3,645	3,640	3,661

World Gold Council

According to Bloomberg, the largest gold producer among mining companies in 2024 was Newmont, which produced 6.7 million ounces of gold, representing 5.2% of global output. Other major gold producers include Barrick Gold, Agnico Eagle, Polyus Gold, AngloGold Ashanti, Zijin Mining, Gold Fields, Kinross Gold, Freeport-McMoRan, and Northern Star Resources. Altogether, the ten largest companies accounted for 23.2% of global gold production. Solidcore's share of global production was 0.38%, while its share in Kazakhstan reached nearly 16%. Other large Kazakh producers include Kazzinc (19.6% share in 2024, according to Freedom Broker estimates) and Altynalmas (17.6%).

Table 10. Gold Production by Company, 2024, million ounces

Company	Production, million oz	Share
Newmont	6.7	5.2%
Barrick	3.9	3.0%
Agnico Eagle	3.5	2.7%
Polyus Gold	3.0	2.3%
Anglogold Ashanti	2.6	2.0%
Zijin Mining	2.6	2.0%
Gold Fields	2.1	1.6%
Kinross Gold	2.1	1.6%
Freeport-McMoRan	1.9	1.5%
Northern Star Resources	1.6	1.2%

Bloomberg

Another significant source of supply is recycled gold, which amounted to approximately 1,367 tons in 2024, representing about 27.6% of total global supply.

Reserves. Global proven gold reserves in the Earth's crust are estimated by the U.S. Geological Survey (USGS) at approximately 64 thousand tons. The largest reserves are concentrated in Australia and Russia, each accounting for 18.8% (around 12,000 tons). Other countries with

substantial reserves include South Africa, Indonesia, and Canada, each holding more than 5% of global reserves. Kazakhstan ranks 10th globally, with proven reserves of about 2,300 tons of gold.

Table 11. Gold Reserves by Country as of January 1, 2025, thousand tons

Country	Reserves, th. tons	Share
Australia	12,000	18.8%
Russia	12,000	18.8%
South Africa	5,000	7.8%
Indonesia	3,600	5.6%
Canada	3,200	5.0%
China	3,100	4.8%
USA	3,000	4.7%
Peru	2,500	3.9%
Brazil	2,400	3.8%
Kazakhstan	2,300	3.6%
Uzbekistan	1,800	2.8%
Mexico	1,400	2.2%
Ghana	1,000	1.6%
Mali	800	1.3%
Columbia	700	1.1%
Tanzania	400	0.6%
Other	9,200	14.4%
TOTAL	64,000	

US Geological Survey

Gold Demand. The main sources of global gold demand are jewelry manufacturing, central banks, and investment demand. In 2024, according to the World Gold Council, jewelry manufacturers accounted for 1,888 tons of gold demand. The peak year for jewelry demand was 2013, when it reached 2,768 tons. Since then, 2024 marked the weakest year for jewelry consumption—excluding the pandemic-affected 2020. The jewelry sector’s share of total gold demand has fallen from a peak of 63% in 2013 to 38% in 2024. The bulk of jewelry demand comes from India and China, where consumption in 2024 amounted to 563 tons and 479 tons respectively—together making up nearly 55% of total global jewelry demand. Notably, China’s gold jewelry consumption has declined significantly since its 2013 peak, falling 49% over the past 11 years, while India’s demand decreased by only 8.5%.

Table 12. Global Gold Demand by Source, 2013–2024

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Jewelry Fabrication	2,724	2,530	2,459	2,108	2,250	2,263	2,142	1,405	2,177	2,095	2,109	1,888
Technology	363	355	338	329	339	342	333	309	337	315	305	326
<i>Electronics</i>	285	284	268	262	272	275	269	255	279	258	249	271
<i>Other Industrial</i>	54	52	51	50	51	52	50	42	47	47	47	47
<i>Dentistry</i>	23	20	19	18	16	15	14	12	11	10	9	9
Investment	804	899	964	1,622	1,322	1,167	1,282	1,805	1,007	1,125	951	1,182
<i>Bars</i>	1,273	775	787	803	787	782	590	553	826	814	787	863
<i>Official Coins</i>	342	205	224	208	188	242	221	290	284	321	293	200
<i>Medals Imitation Coins</i>	119	81	76	68	76	73	67	70	86	100	115	126
<i>ETFs and Similar Products</i>	-929	-162	-124	543	271	70	404	893	-189	-110	-244	-7
Central Bank and Other Institutions	629	601	580	395	379	656	605	255	450	1,080	1,051	1,089
TOTAL	4,564	4,399	4,360	4,370	4,307	4,463	4,382	3,701	4,047	4,729	4,515	4,624

World Gold Council

Table 13. Global Jewelry Demand by Country, 2013–2024

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
China	1,031	875	826	693	716	743	682	433	699	598	672	511
India	617	628	662	505	602	598	545	316	611	601	576	563
USA	113	117	120	119	124	128	131	118	149	145	137	132
Russia	80	68	43	38	40	43	44	30	42	36	40	39
Indonesia	41	37	39	38	39	42	40	21	27	28	25	23
Saudi Arabia	66	68	70	49	46	39	52	30	60	56	49	49
Turkey	80	68	49	41	41	36	36	26	34	37	42	41
UAE	64	56	51	45	47	36	34	22	34	47	40	35
Iran	64	39	37	41	45	30	31	20	26	30	27	27
Other	570	576	562	532	538	546	547	389	495	517	501	468
TOTAL	2,726	2,532	2,459	2,101	2,237	2,241	2,142	1,405	2,177	2,095	2,109	1,888

World Gold Council

Another key component of demand comes from the production of gold bars and coins, often referred to as investment demand. This segment accounted for 24% of total demand in 2024, roughly in line with the six-year average. China leads this category, with 346 tons of investment demand in 2024. Other major markets include India (239 tons), Turkey (112 tons), and the United States (78 tons). Demand trends show consistently strong Chinese investment, a 64% increase in India compared to 2019, an 83% decline in Germany over the past decade, and a 131% rise in Turkey during the same period.

Table 14. Global Demand for Gold Bars and Coins by Country, 2013–2024

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
China	407	198	228	285	306	308	211	199	285	218	280	336
India	341	206	195	162	169	162	146	130	186	174	185	239
Turkey	104	49	23	29	52	38	53	121	61	85	150	112
USA	75	48	71	91	35	26	20	69	116	108	116	78
Iran	64	36	30	5	19	62	39	36	25	42	44	42
Vietnam	88	54	48	43	37	41	39	29	31	41	40	42
Thailand	139	96	78	70	64	68	35	-87	29	29	34	40
Russia	-	8	5	4	2	3	4	5	5	25	32	34
Indonesia	47	27	20	21	20	22	14	17	20	21	21	25
Other	468	339	389	370	345	366	317	394	436	492	294	240
TOTAL	1,733	1,061	1,087	1,079	1,051	1,097	878	913	1,196	1,235	1,195	1,189

World Gold Council

The third and equally important source of gold demand is central banks and other financial institutions such as the IMF, which hold significant gold reserves as part of their international foreign exchange reserves (FX reserves). The share of this demand category has increased notably in recent years: while the average between 2010–2020 stood at 10.3%, it rose to 18.9% in 2021–2024, reaching 22% in 2024. The United States remains the largest holder of gold reserves, with approximately 8,134 tons as of the end of August 2025. Germany ranks second (3,350 tons), followed by the IMF (2,814 tons). Altogether, central banks and financial institutions collectively hold around 36.4 thousand tons of gold. The National Bank of Kazakhstan held 316.5 tons of gold in its FX reserves as of August 2025.

Table 15. Central Bank Gold Reserves by Country as of August 30, 2025, tons

Country	Gold Holdings, tons	% of FX reserves
USA	8,134	79%
Germany	3,350	79%
Italy	2,452	75%
France	2,437	76%
Russia	2,327	38%
China	2,302	7.0%
Switzerland	1,040	11%
India	880	14%
Japan	846	7.0%
Turkey	639	44%
Netherlands	612	69%
Poland	515	22%
Taiwan	424	7.3%
Portugal	383	80%
Uzbekistan	366	80%
Saudi Arabia	323	7.2%
Kazakhstan	316	64%
Other countries and organizations	9,014	-
TOTAL	36,359	

World Gold Council

Additionally, gold-backed ETFs also hold significant physical reserves. Altogether, such funds own just over 3,616 tons of gold, with the top 10 ETFs controlling about 68% of this total. The largest holder is SPDR Gold Shares, which owned around 952 tons of gold as of the end of September 2025—representing 26.3% of total ETF-held gold.

Table 16. Gold-Backed ETFs with the Largest Physical Holdings as of September 30, 2025, tons

ETFs	Country	Holdings, tons	Share, %
SPDR Gold Shares	USA	952	26%
iShares Gold Trust	USA	442	12%
iShares Physical Gold ETC	UK	219	6%
Invesco Physical Gold ETC	UK	203	6%
Xetra-Gold	Germany	174	5%
SPDR Gold MiniShares Trust	USA	148	4%
Sprott Physical Gold Trust	USA	112	3%
Huaan Yifu Gold ETF	China	78	2%
Amundi Physical Gold ETC	France	73	2%
Swisscanto CH Gold ETF EA CHF	Switzerland	61	2%
TOTAL		2,462	

World Gold Council

Development Strategy and Medium-Term Plans of Solidcore Resources

Solidcore Resources' Development Strategy is centered on growth through mergers and acquisitions (M&A) and exploration, a focus on value-generating metals, a responsible business approach, and vertical integration through POX technology. The Company's key objective is to deliver high shareholder returns while maintaining strong corporate governance and social responsibility standards.

Growth through M&A and exploration in Central Asia and the Middle East.

The Company focuses on expanding its ore reserves, thereby driving revenue and production growth. There is also a KPI linked to capital expenditures associated with growth initiatives. As part of this strategy, in 2024 the Company approved the acquisition of the Syrymbet project, established a subsidiary in Oman, and approved an investment loan for Bai Tau Minerals. The main risks related to this area include exploration underperformance, investment project execution, supply chain disruptions, liquidity loss, and political risks.

Focus on precious and base metals assets driving sustainable value. The key KPIs for this strategic pillar are revenue, EBITDA, cash cost, and net debt level. This is the Company's core operational area, and an annual update of mineral resource and ore reserve estimates is conducted. Production plans, including price assumptions used for reserve and resource valuation, are also developed and adjusted accordingly. The primary risks in this area include operational, market, tax, currency, and liquidity risks.

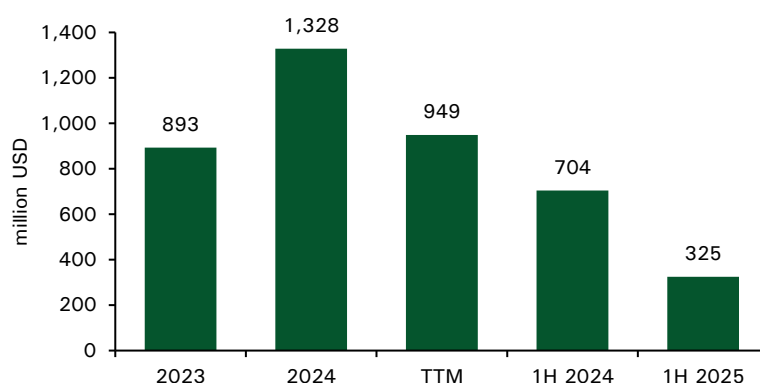
Responsible business approach. The Company aims to achieve reductions in specific greenhouse gas emissions and freshwater consumption during production. It also monitors lost-time injury frequency rate (LTIFR) and the share of women among employees. The sale of Russian assets and delisting from the Moscow Exchange are part of this strategic direction as well. Key risks include occupational health and industrial safety, environmental, human capital, legal, and compliance risks.

Vertical integration through POX technology. Through the construction of Ertis POX, the Company intends to establish a fully integrated gold production cycle using pressure oxidation (POX) technology. The construction of Ertis POX was approved in 2024, with initial site works beginning in 2025. The key risks for this strategic area include market risks, supply chain risks, and investment project risks.

Financial Overview of Solidcore Resources

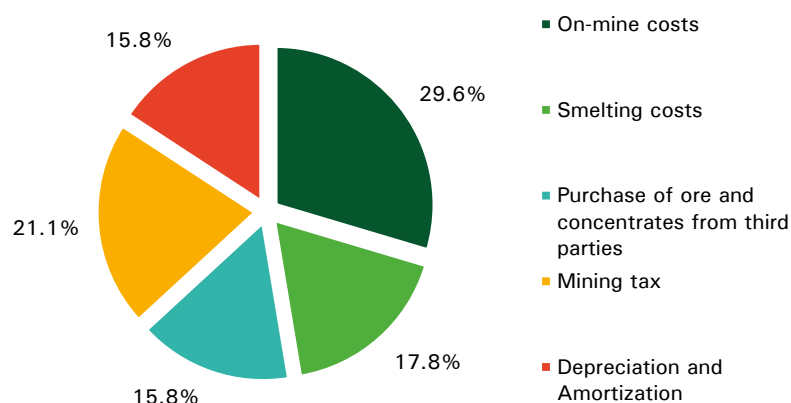
Revenue decline in 2025. The Company reported a significant decrease in revenue in the first half of 2025, totaling \$325 million compared to \$704 million a year earlier. The decline was driven by delays in the delivery of gold-bearing concentrate for further processing at the Amur POX Hub, caused by international sanctions against Russia. In the second quarter, tolling of the concentrate at the Amur POX Hub resumed; however, the Company's 2025 production forecast was revised down from 470 thousand to 420 thousand ounces of gold. In 2024, revenue grew by 49% year-over-year, reaching \$1.3 billion, primarily due to a 23% increase in the average realized gold price. Revenue growth was also supported by additional sales of Kyzyl project concentrate, which were deferred in 2023 due to logistics issues. According to preliminary data, revenue for the first nine months of 2025 amounted to \$861 million, only 14% lower than in 2024, while the average realized gold price during the same period increased by 46%, reaching \$3,315 per ounce.

Chart 3. Company revenue for 2023 – 6M 2025, million USD



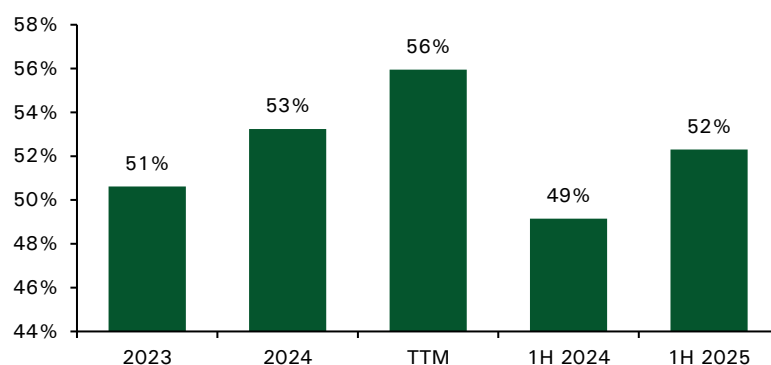
Company data

Stable relative cost of sales. Cash cost of sales includes mining and smelting expenses, mining tax, and purchases of ore and concentrates from third parties. The cost of sales increased by 41% in 2024, mainly due to higher sales volumes, non-cash depreciation and amortization, an increase in the mineral extraction tax amid rising gold prices, and overall inflation.

Chart 4. Company cost structure for 6M 2025


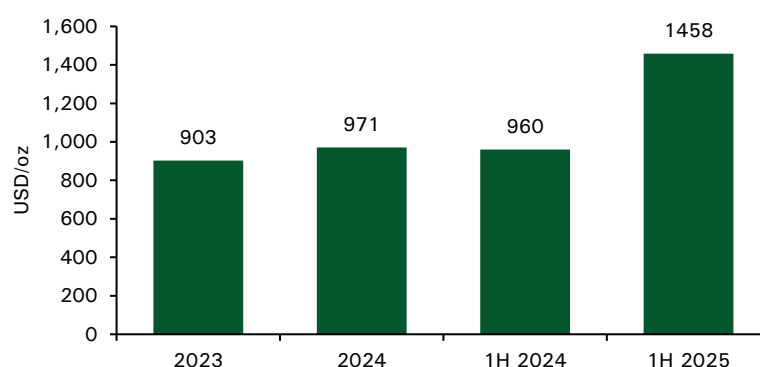
Company data

Nevertheless, the Company's gross margin remained stable — 52% in the first half of 2025 compared to 53% in 2024, consistent with the average of the past 2.5 years.

Chart 5. Company gross margin dynamics for 2023 – 6M 2025


Company data

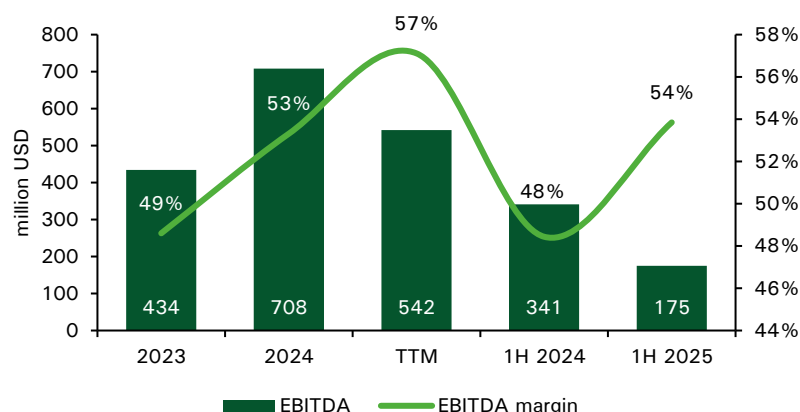
Unit cash cost per ounce of gold produced increased in the first half of 2025 to \$1,458 (+52% YoY), mainly due to delays in concentrate shipments and deferred gold sales from the Kyzyl project. Overall, the Kyzyl project is less costly per ounce of gold: in 2024, its unit cash cost was \$777, significantly lower than the Varvara Hub's \$1,383 per ounce.

Chart 6. Company unit cash cost dynamics for 2023 – 6M 2025, USD/oz


Company data

Gradual improvement in EBITDA margin. General, administrative, and other operating expenses show stable dynamics and have a limited impact on operating profitability. The EBITDA margin demonstrated moderate growth due to rising gold prices and higher revenue: it reached 53% in 2024 (versus 49% in 2023) and 54% in the first half of 2025. In absolute terms, EBITDA amounted to \$708 million in 2024, up 63% year-over-year. However, in the first half of 2025, EBITDA decreased by 49% YoY.

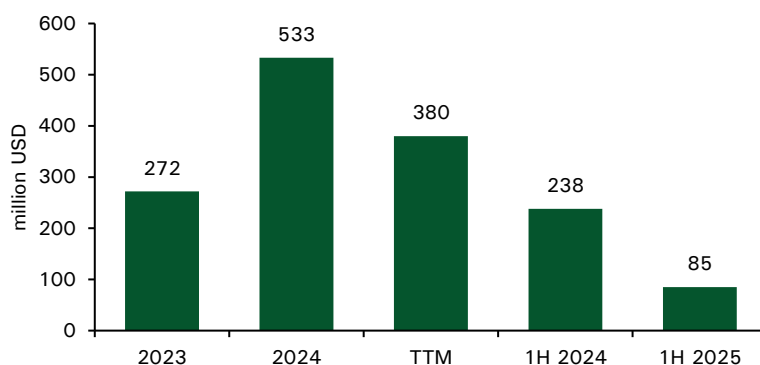
Chart 7. Company EBITDA and EBITDA margin dynamics for 2023 – 6M 2025, million USD



Company data

Net profit declined in 2025. In 2024, the Company's net profit rose from \$272 million to \$533 million (+96% YoY), mainly due to revenue growth and stable margins. In the first half of 2025, net profit decreased to \$85 million, down 64% YoY, reflecting the revenue drop. Earnings per share stood at \$1.13 in 2024 and \$0.18 in the first half of 2025.

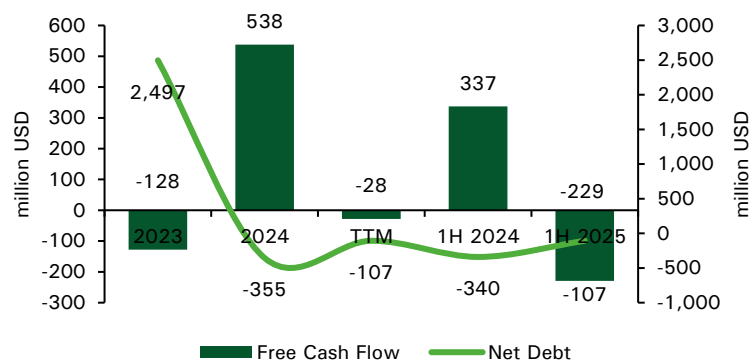
Chart 8. Company net profit dynamics for 2023 – 6M 2025, million USD



Company data

Strong cash position. Free cash flow (FCF) grew significantly in 2024 to \$538 million compared to -\$128 million in 2023, driven in part by high capital expenditures in 2023 before the sale of Russian assets. However, in the first half of 2025, FCF decreased to -\$229 million due to lower revenue, despite a 26% YoY reduction in capex. Nonetheless, the Company maintains a solid liquidity and debt position, with net debt remaining negative, meaning cash balances exceed total debt. At the end of 2023, following consolidation with Russian assets, net debt was significantly higher — almost \$2.5 billion.

Chart 9. Company free cash flow and net debt dynamics for 2023 – 6M 2025, million USD



Company data

Valuation Models of Solidcore Resources

Illustration 1. Solidcore Equity Valuation Model — DCF Method

Operating numbers	2024A	Jan-Jun 2025A	Jul-Dec 2025A	2026F	2027F	2028F	2029F	2030F	2048F	2049F	2050F
Production, Kyzyl											
Ore reserves, th. tons	61,300	60,060	58,860	56,460	54,060	51,660	49,260	46,860	3,660	1,260	0
Ore mining, th. tons	2,409	1,240	1,200	2,400	2,400	2,400	2,400	2,400	2,400	2,400	1,260
Ore processing, th. tons	2,417	1,230	1,200	2,400	2,400	2,400	2,400	2,400	2,400	2,400	1,260
Gold grade, g/ton	5.0	5.7	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1
Gold recovery, %	89%	88%	88%	88%	88%	88%	88%	88%	88%	88%	88%
Gold in concentrate, koz	102	16	51	102	102	102	102	102	102	102	53
Gold produced at third-party POX, koz	217	31	175	224	223	224	224	224	224	224	118
Total gold production at the project	320	47	226	326	325	326	326	326	326	326	171
Production, Varvara hub											
Ore reserves, th. tons	55,050	53,711	52,311	49,511	46,711	43,911	41,111	38,311	0	0	0
Ore mining, th. tons	2,792	1,339	1,400	2,800	2,800	2,800	2,800	2,800	0	0	0
Ore processing, flotation, th. tons	777	398	394	788	788	788	788	788	0	0	0
Gold grade, g/ton	2	2	2	2	2	2	2	1	0	0	0
Gold in concentrate, koz	41	16	20	38	36	35	34	32	0	0	0
Copper in concentrate, ton	1,839	861	978	2,098	2,231	2,370	2,509	2,645	0	0	0
Ore processing, leaching, th. tons	3,179	1,588	1,602	3,203	3,203	3,203	3,203	3,203	0	0	0
Gold grade, g/ton	1	1	1	1	1	1	1	1	0	0	0
Gold (Dore), koz	129	60	55	111	111	111	111	111	0	0	0
Total gold production at the project	170	76	75	149	148	146	145	143	0	0	0
Total gold production of the company	489	123	301	475	473	472	470	469	326	326	171
Revenue model, million USD	2024A	Jan-Jun 2025A	Jul-Dec 2025A	2026F	2027F	2028F	2029F	2030F	2048F	2049F	2050F
Average selling price											
Gold (USD/oz)	2,350	3,099	3,362	3,975	3,500	3,143	2,993	2,993	2,993	2,993	2,993
Copper (USD/ton)	9,144	9,432	9,432	11,152	9,819	8,818	8,397	8,397	8,397	8,397	8,397
Revenue	1,328	325	1,021	1,912	1,676	1,505	1,429	1,425	975	975	512
<i>growth rate, %</i>	<i>49%</i>	<i>-54%</i>	<i>1%</i>	<i>42%</i>	<i>-12%</i>	<i>-10%</i>	<i>-5%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>-48%</i>
Operating cost model, million USD	2024A	Jan-Jun 2025A	Jul-Dec 2025A	2026F	2027F	2028F	2029F	2030F	2048F	2049F	2050F
On-mine costs	164	90	92	187	191	194	198	202	289	295	235
Smelting costs	114	54	54	111	113	115	117	84	45	46	25
Purchase of ore and concentrates from third parties	98	48	52	123	108	97	93	93	93	93	93
Mining tax	91	64	77	144	126	113	107	107	73	73	38
Cash operating costs	467	256	275	564	538	520	516	486	500	506	390
General and administrative expenses	65	34	34	68	69	71	72	73	72	74	40
Other expenses	31	9	9	25	25	25	26	26	26	27	14

Forecast period model	2024A	Jan-Jun 2025A	Jul-Dec 2025A	2026F	2027F	2028F	2029F	2030F	2048F	2049F	2050F
EBITDA	708	175	626	1,111	918	776	708	733	303	295	29
<i>EBITDA margin</i>	<i>53%</i>	<i>54%</i>	<i>61%</i>	<i>58%</i>	<i>55%</i>	<i>52%</i>	<i>50%</i>	<i>51%</i>	<i>31%</i>	<i>30%</i>	<i>6%</i>
EBIT	609	127	564	968	758	601	521	450	155	143	-126
<i>EBIT margin</i>	<i>46%</i>	<i>39%</i>	<i>55%</i>	<i>51%</i>	<i>45%</i>	<i>40%</i>	<i>36%</i>	<i>32%</i>	<i>16%</i>	<i>15%</i>	<i>-25%</i>
Operating margin	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
(-) Tax on EBIT	121.8	25.4	112.8	193.6	151.7	120.3	104.2	90.0	30.9	28.6	(25.2)
(=) NOPAT	493	94	451	774	607	481	417	360	124	114	0
(-) net reinvestment (including D&A)	(1,157)	299	279	378	(23)	4	39	(131)	14	15	(212)
CapEx	279	128	175	299	300	303	304	169	165	168	90
change in WC	(1,289)	224	167	223	(164)	(124)	(79)	(17)	(2)	(2)	(147)
DD&A	147	53	62	143	160	174	187	283	149	152	155
(=) FCFF	538	(229)	172	396	630	477	378	491	109	100	212
(x) discount factor			0.97x	0.87x	0.78x	0.70x	0.63x	0.56x	0.08x	0.07x	0.06x
PV FCF			168	345	491	333	237	275	8.4	6.8	13.0

WACC Calculation

Cost of equity

Risk-free rate	4.5%
Market risk premium for equity	4.0%
Calculated beta coefficient	1.15
Country risk premium	3.1%
Total cost of equity	12.2%

Cost of debt

Cost of debt (pre-tax)	5.3%
Corporate Income Tax	20.0%
Total cost of debt	4.2%

Capital structure

Equity	94%
Debt (D/(D + E))	6%

Weighted average cost of capital (WACC)	11.7%
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Solidcore Resources valuation, million USD

(=) Value in forecast period	3,452
(=) EV	3,452
(+) Cash and bank deposits	351
(-) Debt (incl. operating lease)	244
(=) Equity valuation	3,559

Target share price, USD	7.50
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Current price, USD	5.50
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Upside potential, %	36%
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Freedom Broker estimates

Illustration 2. Solidcore Equity Valuation Model — Relative Valuation Method

Peers	Country	P/E, 2025	EV/EBITDA, 2025	P/S, 2025	P/B	Market cap, billion USD
CHIFENG JILONG GOLD MINING-A	China	17.9x	8.5x	4.5x	4.5x	8.1
CIA DE MINAS BUENAVENTUR-COM	Peru	11.4x	7.8x	4.1x	1.8x	6.2
HUNAN GOLD CORP LTD-A	China	17.1x	14.4x	0.7x	4.5x	4.8
ANEKA TAMBANG TBK	Indonesia	9.8x	6.6x	0.8x	2.2x	4.5
GENESIS MINERALS LTD	Australia	13.1x	7.5x	4.2x	5.3x	4.4
PERSEUS MINING LTD	Australia	10.2x	4.7x	3.1x	2.2x	4.3
RAMELIUS RESOURCES LTD	Australia	18.0x	8.4x	6.1x	2.0x	4.2
CAPRICORN METALS LTD	Australia	17.8x	10.9x	7.9x	5.3x	3.5
WESTERN REGION GOLD CO LTD-A	China	56.1x	-	3.1x	2.5x	3.3
WESTGOLD RESOURCES LTD	Australia	8.2x	4.0x	2.3x	2.5x	3.2
VAULT MINERALS LTD	Australia	13.8x	5.5x	3.0x	4.4x	3.2
REGIS RESOURCES LTD	Australia	18.3x	5.7x	3.0x	5.0x	2.8
GREATLAND RESOURCES LTD	Australia	7.5x	4.4x	2.6x	4.6x	2.7
HOCHSCHILD MINING PLC	Peru	12.8x	-	1.2x	4.1x	2.2
PAN AFRICAN RESOURCES PLC	South Africa	13.4x	5.1x	2.1x	4.3x	2.2
DRDGOLD LTD	South Africa	5.7x	4.4x	2.3x	1.5x	2.1
SHANDONG HUMON SMELTING-A	China	11.3x	9.3x	4.1x	2.4x	2.1
TURK ALTIN ISLETMELERI AS	Turkey	17.9x	14.3x	0.2x	4.8x	2.0
EMERALD RESOURCES NL	Australia	11.3x	24.3x	8.4x	5.8x	1.8
ARCHI INDONESIA TBK PT	Indonesia	11.4x	7.2x	5.0x	7.3x	1.6
ZHAOJIN INTERNATIONAL GOLD-A	China	17.9x	9.7x	3.5x	17.6x	1.6
ORA BANDA MINING LTD	Australia	-	-	-	8.0x	1.5
RESOLUTE MINING LTD	Australia	93.2x	38.7x	19.6x	2.1x	1.3
PANTORO GOLD LTD	Australia	9.2x	5.1x	2.7x	3.9x	1.3
CATALYST METALS LTD	Australia	8.0x	3.0x	1.4x	3.6x	1.1
BELLEVUE GOLD LTD	Australia	9.1x	5.3x	3.5x	2.1x	1.1
MINEROS SA	Columbia	8.6x	4.6x	2.9x	2.3x	1.1
OCEANAGOLD PHILIPPINES INC	Phillipines	12.4x	5.3x	2.4x	1.8x	1.0
KINGSGATE CONSOLIDATED LTD	Australia	7.2x	3.6x	1.5x	6.3x	0.9
CALEDONIA MINING CORP PLC	South Africa	20.1x	6.8x	2.6x	2.8x	0.9
Median		12.4x	6.6x	3.0x	4.0x	2.2

Financials, million USD, 2025	Net Profit	EBITDA	Revenue	Equity	Net Debt
Solidcore	493	801	1,346	1,608	-107

Valuations from different multiples, million USDP/E		EV/EBITDA	P/S	P/B
Solidcore	6,135	5,371	3,976	6,472

Weight	10%	80%	5%	5%
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Total valuation, million USD **5,433**

Total valuation per share, USD **11.5**

Freedom Broker estimates

Potential Risks to the Valuation Model

Gold prices. Volatile gold prices represent a key valuation risk for the Company. A decline in gold prices may negatively affect the stock's market value. If prices fall below the levels assumed in our model, this would have an adverse impact on the Company's estimated fair value. Conversely, rising gold prices typically lead to higher operating costs, which rarely decline afterward even if prices fall again.

Geopolitical risks. Despite the sale of its Russian assets, Solidcore continues to maintain certain operational ties with Russian enterprises. Specifically, concentrate from the Kyzyl project is processed at the Amur POX Hub in the Khabarovsk region, where refractory Kyzyl ores are treated using pressure oxidation (POX) technology. The logistical and processing difficulties that occurred in the first quarter of 2025 could recur and will remain a risk until the planned launch of the Ertis POX Hub in 2029.

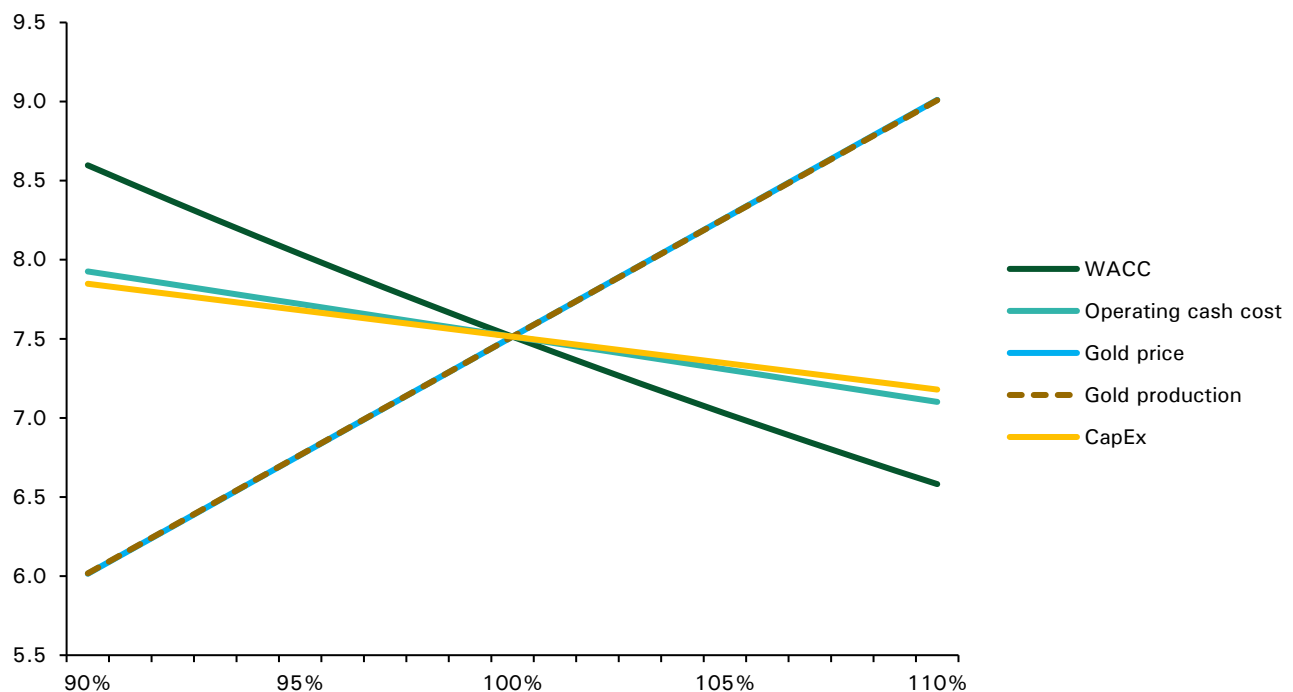
Operational risks. A broad range of operational risks remains, including potential depletion of gold and other metal reserves, declining gold grades, logistics challenges, processing issues, and disruptions in product delivery, among others.

Sensitivity Analysis of Value Drivers Solidcore Resources

Ranking of model sensitivity parameters. We tested each key input parameter in the valuation model — WACC, cash cost, gold prices, gold production volumes, and capital expenditures. The analysis showed that the most sensitive and impactful factors are gold prices and production/sales volumes. A $\pm 10\%$ change in these parameters over the forecast period leads to an approximately 20% change in the Company's value.

Illustration 3. The most important variables in the valuation model are gold prices and gold production/sales volumes

Ranking of model sensitivity parameters relative to the base case



Freedom Broker estimates

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- Buy: A stock that, at the time of rating, is expected to increase in price by more than 20 percent over the next 6-12 months.
- Hold: A stock that, at the time of rating, is expected to move in price in the range of minus 10 percent to plus 10 percent over the next 6-12 months.
- Sell: A stock that, at the time of rating, is expected to decline in price by more than 10 percent over the next 6-12 months.