

An aerial photograph of a mining site. In the center, a yellow excavator is working in a circular pit filled with gold-colored gravel. The surrounding area is dark and rocky, with several large piles of dark, angular rocks. A large, semi-transparent circular graphic is overlaid on the image, centered on the excavator.

**CHAARAT**

# Chaarat Gold

Building a Leading Gold Company  
in the FSU

**Ticker: AIM:CGH**  
15<sup>th</sup> October 2020



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# Building a Leading Gold Company in the FSU

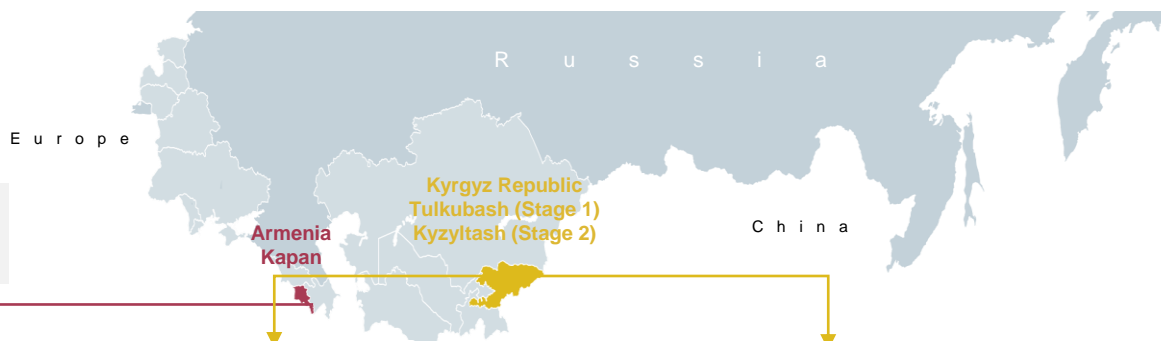
Overview



## 1.1 Moz AuEq P&P Reserves



## 10 Moz AuEq M&I, I Resources

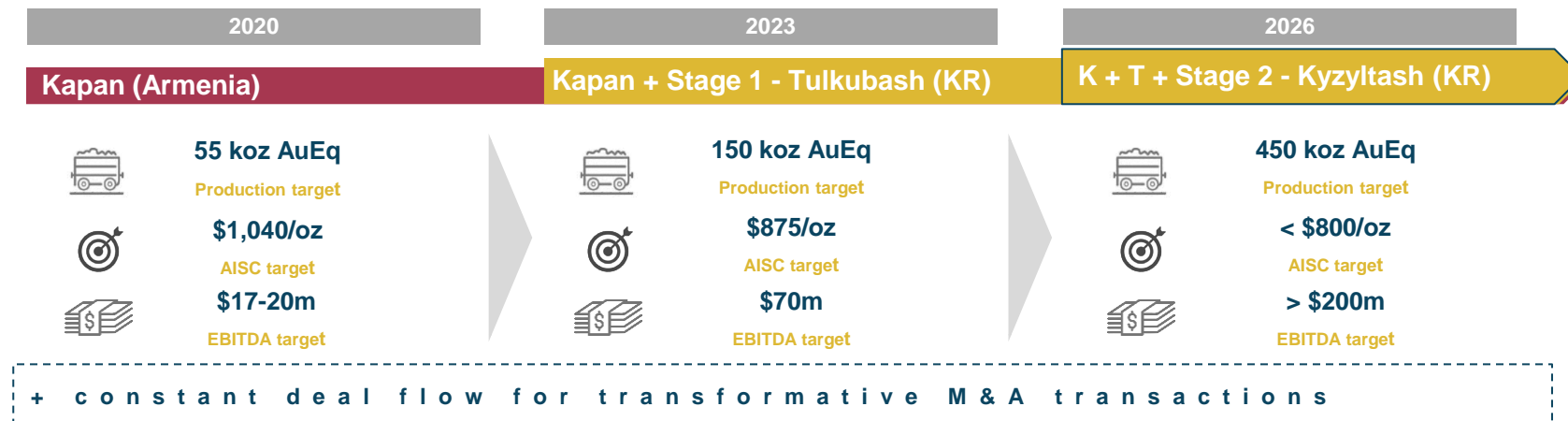


Kapan	Producing
Commodities	Au, Ag, Cu, Zn
LOM Avg. Production <sup>1</sup>	c. 55koz AuEq
LOM Avg. EBITDA	c. US\$17-20m
Reserves	471 koz AuEq
Resources <sup>2</sup>	2,961 koz AuEq




Tulkubash	Construction
Commodities	Au
Target LOM Avg. Production	c. 94 koz Au
Target LOM Avg. EBITDA	c. US\$54m <sup>3</sup>
Reserves	658koz
Resources <sup>2</sup>	1,657koz

Kyzyltash	Development
Commodities	Au
Stage	Development
Target LOM Avg. Production <sup>4</sup>	c. 300koz
Reserves	--
Resources <sup>2</sup>	5,377koz

### Chaarat Gold Growth Pipeline



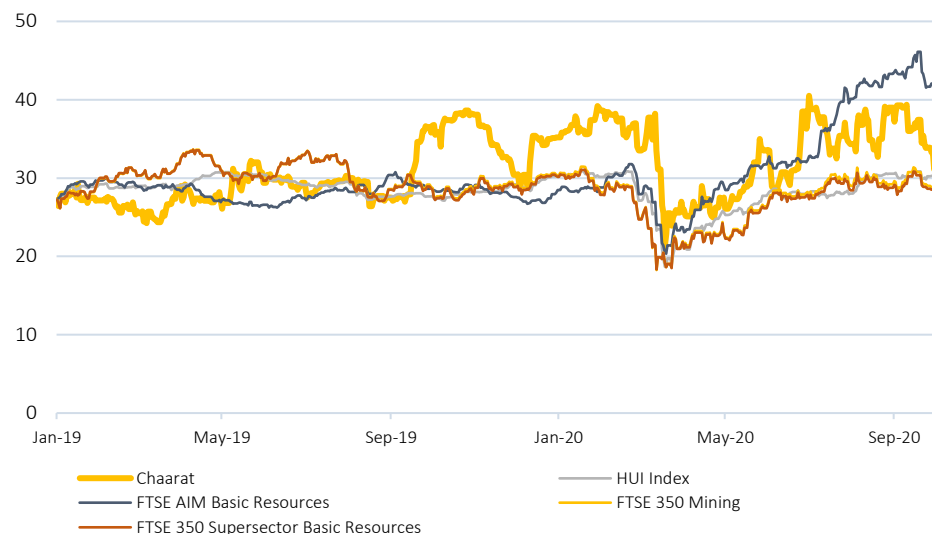
# Corporate Information

Corporate Information	
Ticker Symbol	AIM:CGH
Share price	GBp 0.35 / share <sup>1</sup>
Shares & Options	Common Shares: 524,562,210 <sup>2</sup> Options: 56,805,258 <sup>2</sup>
Market Capitalisation (\$m)	237 <sup>3</sup>
Debt position (\$m)	(68)
Major shareholders	<ul style="list-style-type: none"> <li>▪ Labro Investments Ltd. / Martin Andersson (39.78%)</li> <li>▪ China Nonferrous Metals Int'l Mining Co Ltd. (4.28%)</li> <li>▪ Sarastro Group Ltd. (3.41%)</li> <li>▪ Norges Bank Investment Management (2.95%)</li> </ul>
Broker contacts	<div>  +44 (0) 20 7523 8000         </div> <div>  +44 (0) 20 3470 0470         </div> <div>  +44 (0) 20 7220 0500         </div>

1. As of 6<sup>th</sup> October 20202. As of 6<sup>th</sup> October 2020, majority of options with strike price 42p

3. At GBP:USD 1.29

## Share price (GBp) relative to Benchmark Indices



## Research Analysts Target Price

Date	Broker	Rating	Target price (GBp)	Premium to 35p price (%)
01-Oct-20	cg/Canaccord Genuity	Buy	63	80%
15-Sept-20	SPANGEL	Buy	58	66%
11-Sept-20	finncap	Buy	60	71%
	<b>Average</b>		<b>60</b>	<b>71%</b>

# Key Management

## Leading Operational, Commercial and Regional Experience



### **Martin Andersson – Executive Chairman of the Board**

*Appointed October 2016*

- Company's largest shareholder and since becoming Chairman, has reset the strategy under a new management team
- Co-founded Brunswick Brokerage – a Moscow based investment bank that was later sold to UBS
- Initially holding the position of chief executive officer and, from 1999, chairman of the joint venture, Brunswick UBS Warburg
- Served on the board of Siberian Coal Energy Company, one of the largest thermal coal producers in Russia



### **Artem Volynets - Chief Executive Officer**

*Appointed March 2018*

- Senior mining industry executive with over 20 years of experience, having managed and closed transactions worth in excess of US\$30bn
- Formerly CEO of En+ Group (over \$25bn in assets and over 100,000 employees), Deputy CEO and Director for Corporate Strategy at UC RUSAL, and SVP Strategy at SUAL International - Worked on the final phase of the consolidation of the Russian aluminium industry that created UC Rusal, and led its \$2bn+ IPO in the first Russian listing in Hong Kong
- Served as Chairman of the International Aluminium Institute, as independent director at PJSC MMC Norilsk Nickel, and was a management consultant and corporate finance advisor with Monitor Group in London
- Studied at Moscow State University, The American University in Washington DC, Georgetown University and INSEAD



### **Chris Eger – Chief Financial Officer**

*Appointed: July 2018*

- Over 20 years experience in investment banking, metals trading and private equity
- Former CFO of Nyrstar NV, where he played a major role in developing and implementing the Company's transformation strategy in addition to strengthening the balance sheet
- Previously investment banking experience in the mining sector at Trafigura, BAML and BMO



### **Darin Cooper – Chief Operating Officer**

*Appointed: June 2019*

- Over 30 years' experience in the mining industry, spanning operations, projects, restricting and change management
- Former Head of Mining at Fusion Capital, a Swiss based private equity firm
- Previously held senior roles at Nyrstar (VP, Zinc smelting) & Talvivaara Mining Company (COO)



### **Vladimir Shvetsov**

Senior Vice President, Exploration  
*Appointed: February 2020*

- Over 40 years of experience at every stage of mining projects
- Exploration focused geologist, having managed successful exploration programmes across the globe
- Previously held exploration management and executive roles with several companies, including GV Gold, NordGold N.V., Severstal as well as several Exploration companies in West Africa and the CIS



### **Davron Vakhobov**

General Director (Kyrgyz Republic)  
*Appointed: May 2017*

- 20 years of experience in both greenfield and brownfield project development
- Formerly a senior project team member during construction of Amulsar Gold Mine in Armenia
- Previous experience in original mine construction at the Çöpler mine and subsequent plant and heap leach expansion projects



### **David Tovmasyan**

General Director Kapan (Armenia)  
*Appointed: November 2018*

- 20 years of operations management and engineering experience, including leadership roles and oversight of open pit, underground mining and ore processing operations
- Previous experience with Freeport McMoRan, Zangezur CMC and Dundee Precious Metals (Kapan)



### **Patrick Henze**

Vice President – Corp Dev and IR  
*Appointed: August 2019*

- 10 years of mining & metals investment, M&A, corporate and project finance experience.
- Former Investment Manager of private equity fund Fusion Capital, played a major role in the management and sale of Lynx Resources Ltd. for \$403m, a JV with Orion Mine Finance and led all investment activity for the Fund.
- Previously, leading natural resources financing & advisory deals at UniCredit Bank AG completing transactions up to \$750m.

# The Board of Directors

## Highly Experienced & Majority Independent Board



**Martin Andersson – Executive Chairman of the Board**

*Appointed October 2016*



**Artem Volynets - Chief Executive Officer**

*Appointed March 2018*



**Gordon Wylie**  
Sr. Independent Director

*Appointed: November 2017*

- Over 41 years of experience in the global mining industry with experience in growing companies from exploration to production
- 8 years as a member of AngloGold Ashanti's senior management team, responsible for their global exploration programme
- Previously the chairman of Lydian International, that is constructing a mine at the Amulsar open pit, heap leach gold project in Armenia



**Robert Edwards**  
Independent  
Non-Executive Director

*Appointed: September 2018*

- 27 years of experience in the global natural resource industry primarily focused on frontier and emerging markets
- Currently serves as an independent Non-executive director and member of the audit and corporate governance and remuneration committees of PJSC MMC Norilsk Nickel
- Former chairman of Global Mining at Renaissance Capital, previously with HSBC and RBC



**Warren Gilman**  
Independent  
Non-Executive Director

*Appointed: March 2019*

- Over 30 years of experience in mining investment banking
- Chair and CEO of CEF Holdings (mining investment JV between Cheung Kong Holdings and CIBC) for over 10 years
- Chairman, Founder and CEO of Queen's Road Capital Ltd, previously chairman Co-founder of CIBC's Global Mining Group in 1988



**Robert Benbow**  
Non-Executive Director

*Appointed: June 2019*

- Over 40 years of experience developing green field projects
- Responsible for development of Alacer's Çöpler heap leach project in Turkey
- Previously COO of Chaarat (Jul-2017 until Apr-2019)
- Responsible for oversight of the Company's operations and project development



**Hussein Barma**  
Independent  
Non-Executive Director

*Appointed: December 2018*

- An experienced senior executive having spent 15 years at Antofagasta as CFO
- Extensive knowledge and experience of the global mining industry, regulations, strategy, finance, audit, accounting and IR
- Currently an independent Non-Executive director and audit chair of Atalaya Mining plc and is a principal at Barma Advisory



ESG –  
Integral Part  
of Day-to-Day  
Operations





# Environmental, Social and Governance

## Committed to the Highest International ESG Standards

CHAARAT

ESG

### ENVIRONMENTAL

- Chaarat complies with all local environmental regulations in Kyrgyz Republic
  - Tulkubash Project is based on international industry-standard practice and supported by Kyrgyz and international standard ESIAs
  - The Tulkubash Project design follows International Cyanide Management Code guidelines
- Kapan: focus on continuing to improve environmental standards:
  - Improvements to Tailings Management Facility design and water treatment system are being implemented
  - Kapan has engaged SRK to conduct an IFC-compliant environmental audit
  - Kapan maximising water recycling and upgrading tailings line
  - Encouraging local initiatives (e.g. Tree planting and World Environmental Day in 2020)



### SOCIAL

- Kyrgyz workforce is comprised of more than 90% Kyrgyz nationals
- Kyrgyz entity contributes over \$210,000 annually in social aid to Chatkal
- Chaarat supports the local economy by creating indirect job opportunities
- Kapan workforce comprises > 98% Armenian nationals
- Strong, long-established relationship with community at Kapan
- In 2020, Kapan plans to fund the reconstruction of kindergartens in the community



### GOVERNANCE

- Focus on diversity in all areas (e.g. supporting Women in Mining)
- ESG role established for corporate reporting
- Senior and Operations management rigorously enforce FCP policies
- Chaarat encourages its employees to use its whistle-blower policies
- Majority of independent board members



### HEALTH & SAFETY

- Hazard recognition emphasised in Kyrgyz employee safety training
- International Health & Safety best practices used throughout operations and construction sites
- Kapan safety reporting integrated and aligned with Charaat Standards
- Kapan contractor integrated into the overall Kapan safety Management program

1. Entity incorporated in Kyrgyzstan.

# COVID-19 Response

Implementation of regular testing of employees



Site hygiene/sanitary measures



Practicing social distancing



Flour delivery to support remote communities in Chatkal (KR)



## Chaarat also...

- ....assisted with renovations to the hospital and police to enable isolation and social distancing of those at high risk
- ...provided COVID antibody tests to Kapan hospital to assist local testing program
- ... providing PCR lab unit and reagents to Chatkal for regional testing

Donation of equipment to Kapan Medical Center



Granting of computers to Kapan school kids for distant learning



**➤ Chaarat has taken precaution measures since mid February and is continuously supporting the sites and communities**



# ESG Performance

## Kapan

- Initiated work to improve the stability of the local tailings facility and improve water recycling on site
- Worked with local businesses to develop a water treatment facility to effectively remove dissolved metals from historical runoff from old Soviet-era mines in the area
- Improved safety programmes on site and integrated contractors in the company's safety management program
- Organised basketball and football competitions between the department and the workshops to promote a healthy lifestyle and sports
- Supported the renovation of the female health department at the Kapan Medical Centre clinic
- Hosted a charity event bringing attention to helping children from socially vulnerable families and children with health issues during the Christmas period
- Capital construction of the kindergarten in Kapan for 100 kids started in 2019

## Kyrgyz Republic

- Purchased and transferred to the Ministry of Health of the Kyrgyz Republic PCR thermocycler and test kits on COVID-19 as a humanitarian aid
- Provided 10 tons of flour to needy people in Chatkal in regards with difficulties of delivery and lack of food products in region due to quarantine regime as well as 1 ton of disinfectant to prevent COVID-19 outbreak
- Hosted wool craft training for community women to launch a small business project in future
- Presented gifts to widows on International Women`s Day and orphans on International Children`s day

## Chaarat 2020 Plan

- Ongoing community support for COVID-19 measures
- Opening a music and art school in Kapan
- Opening of new kindergarten in Kapan for 100 children (construction finished pre COVID-19)
- Ongoing support of the Medical Center in Kapan incl. supply of X-Ray generator
- Contribution over USD\$210,000 to Chatkal district to improve infrastructure including road construction
- Chaarat Cup tournament (three main local sports are sponsored in Chatkal)

Please visit our ESG section online to view our ongoing activities (<https://www.chaarat.com/esg-sustainability/>)

## Women in Mining



## COVID-19 Tests



## Women Wool Craft Training





# Chaarat Operations

Construction works at Tulkubash Project, Kyrgyz Republic



Underground level inspection at Kapan, Armenia



# Kapan Mine – Armenia

## Producing Asset with Upside Potential

CHAARAT

Chaarat Operations

**MINE TYPE**  
**Polymetallic**  
(Cu,Zn,Au,Ag),  
**Underground**

**PROCESSING**  
**Flotation**

**PRODUCTION**  
**55 koz AuEq<sup>1</sup>**

**AISC**  
**US\$ 1,040 /oz<sup>2</sup>**

**RESERVES**  
**471 koz AuEq @ 3.25g/t**

**RESOURCES**  
**2,961 koz AuEq @ 5.6 g/t**

**TARGET MINE LIFE**  
**+10 years<sup>3</sup>**

### Attributed Value

Date	Broker	NPV
01-Oct-20	cg/Canaccord Genuity	\$220m
15-Sept-20	SPANGEL	\$153m
11-Sept-20	finnCap	\$121m <sup>4</sup>
	<b>Average</b>	<b>\$164m</b>

1. 2020 production guidance

2. AISC/oz produced exclude smelter TC/RC charges, others which add c. USD\$ 150/oz

3. Management target

4. Before debt considerations

# The Kapan Mine

## Achievement of Target 2019 Improvements

### Improving Operational Performance since acquisition

Mining production up 10% compared to H1 2019 (Acquisition)

AuEq recoveries stabilized around 70%

Cu conc production up 7%, Zn conc production up 28%

Signed two 3<sup>rd</sup> party ore contracts to optimise capacity utilisation, adding 10kt p.m. to the mill

On track with updated MRE and LOM Plan

### Continuing the positive trend from H2 2019<sup>1</sup>

	H1 2020	H2 2019
Lost time Injuries <sup>2</sup>	0.0	stable
Mill throughput <sup>3</sup>	366kt	+1.4%
Contained Metal	27 koz AuEq	+1%
AISC	\$1,076/oz AuEq	-3%

VS.

### Significant upside potential through

1

#### Operational improvements

Further unit cost reductions achieved in H1 2020

2

#### 3<sup>rd</sup> Party Ore Feed to increase utilisation further

Two contracts signed starting H2 2020

3

#### Resource to Reserve conversion

Since start of mining operation in the 1950s continuous 5-7 year mine life

4

#### East Flank – new ore body area development

Scoping study in progress



**Continuous extensions of mine life typical for such type of ore body**

1. Values are based on unaudited Company records. Cash costs are excluding other costs.

2. W/o contractors in this statistic

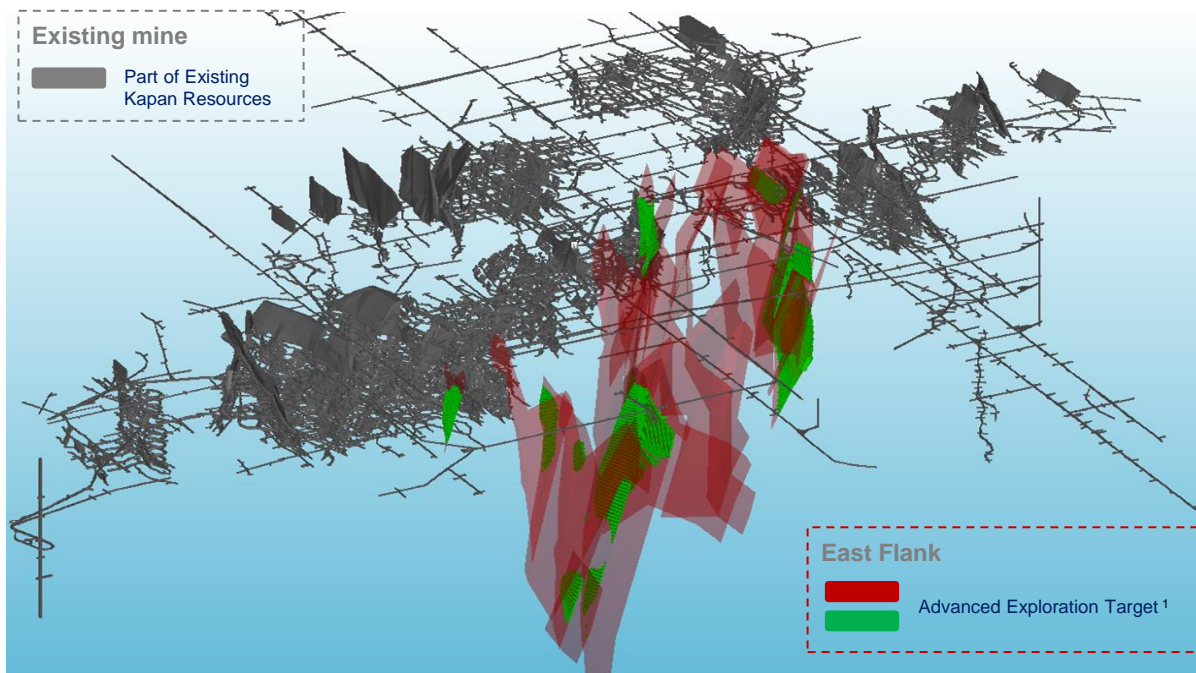
3. incl. 3<sup>rd</sup> party ore treated



# Kapan Upside Potential East Flank Extension

- Management has identified an adjacent area to the existing mine from a review of the historical database (62 holes, 22km of drilling)
- The East Flank requires further definition drilling to provide a JORC compliant resource for mine planning purposes (conversion to reserve)
- Initial timeline to implementation is approx. 2 years subject to funding and capex requirements

## East Flank Potential



## Chaarat estimate

Advanced  
Exploration  
Target <sup>1</sup>

c. 5.0 – 6.0 Mt  
@ 2.2 – 2.6 g/t  
AuEq

Timeline

Cost

Resource  
definition

2020/21

c. \$3m

Development

2021/22

c. \$1-2m

Equipment

2021/22

c. \$3-5m



**East Flank could provide quality ore to the mill from H2 2022**

1. The potential quantity and grade is based on a management estimate and is conceptual in nature with insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource

The updated Target Exploration Estimate of the East Flank target area of the Kapan project was prepared Chaarat technical staff under the supervision of Mr. Joe Hirst, B.Sc. (hons), M.Sc., EurGeol. CGeol.

# Operating in Armenia

## Mining Friendly Jurisdiction



- Armenian mining industry has a long history, and is an important contributor to GDP
- Mining contributes c. 25% of exports, and employs c. 10% of people in the industrial sector
- Mining and environmental laws & compliance well established
- Geologically highly prospective

Capital city	Yerevan
Political system	Parliamentary Republic
Population	3.0 million
Economy	
GDP (ppp)	\$28.4 billion (services 55%, industry 28%, agriculture 17%)
GDP per capita	\$9,500
Major exports	Copper, pig iron, nonferrous metals, gold, minerals, foodstuffs
Currency	Armenian dram (AMD)
Literacy	99.7%



# Stage 1 - Tulkubash

## Construction Pathway to First Gold in Q3 2022

CHAARAT

Chaarat Operations

### MINE TYPE

Oxide, Open pit

### PROCESSING

Heap Leach

### STAGE

In Construction, CAPEX of \$110m

### AISC

US\$ 802 /oz<sup>1</sup>

### PRODUCTION

94 koz Au pa<sup>1</sup>

### RESERVES (BFS 2019)

658 koz Au @ 0.9 g/t

### RESOURCES (BFS 2019)

1,657 koz Au @ 1.2 g/t

### Mine Life

Initial 6 years, targeting 15+ years

### Attributed Value

Date	Broker	NPV
01-Oct-20	cg/Canaccord Genuity	\$565m
15-Sept-20	SPANGEL	\$214m
11-Sept-20	finncap	\$146m
	Average	\$308m

Chaarat Gold Holdings Limited

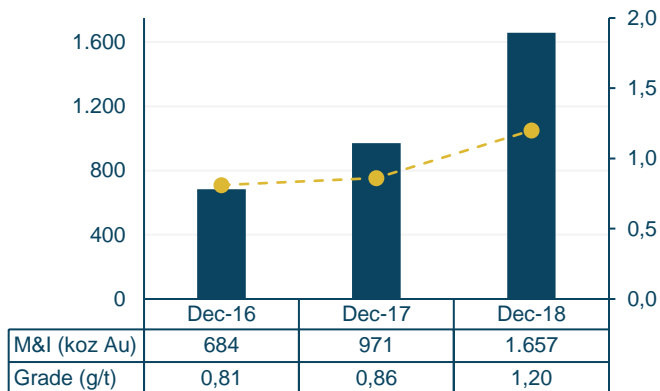
1. Average AISC/oz produced over LOM

1. Target LOM averages as announced in the 4 June 2019 Feasibility Study update ([here](#))

# Attractive Project Economics

## Optimisation of Parameters ongoing

### Well developed Ore Body



- 1 Ca. US\$40 m equity invested by Chaarat pre 2020
- 2 137% increase in M&I Resource in the 2 years to Feasibility, definition of 658koz in P&P
- 3 Adding Resources / Reserves at \$10-15/oz, over 55,000m drilled in 2017 – 2019
- 4 Resources and Reserves will be further defined and may change for optimisation of the project economics

Feasibility Study 2019 Results <sup>(1)</sup>	Values
Average gold production (koz p.a.)	94
AISC (\$/oz)	802
Initial Capital (incl. 10% cont.) (\$m)	(110)
Project Cash Flow (\$m p.a.)	46
Post-tax NPV <sub>5%</sub> (\$1,300 Au price) (\$m)	71
Post-tax IRR (%)	20

### Sensitivity

Au price	1,300	1,500	1,700	1,900
LOM Avg. EBITDA p.a.	48	62	78	94
Project Cash Flow (\$m p.a.)	46	58	74	90
NPV @ 5%	71	126	191	256

### Ciftay

Experienced Mining Contractor and 12.5% Equity partner in the project

### Project Finance

Targeting c. 70% of Initial Capital

### Feasibility Study Update in progress

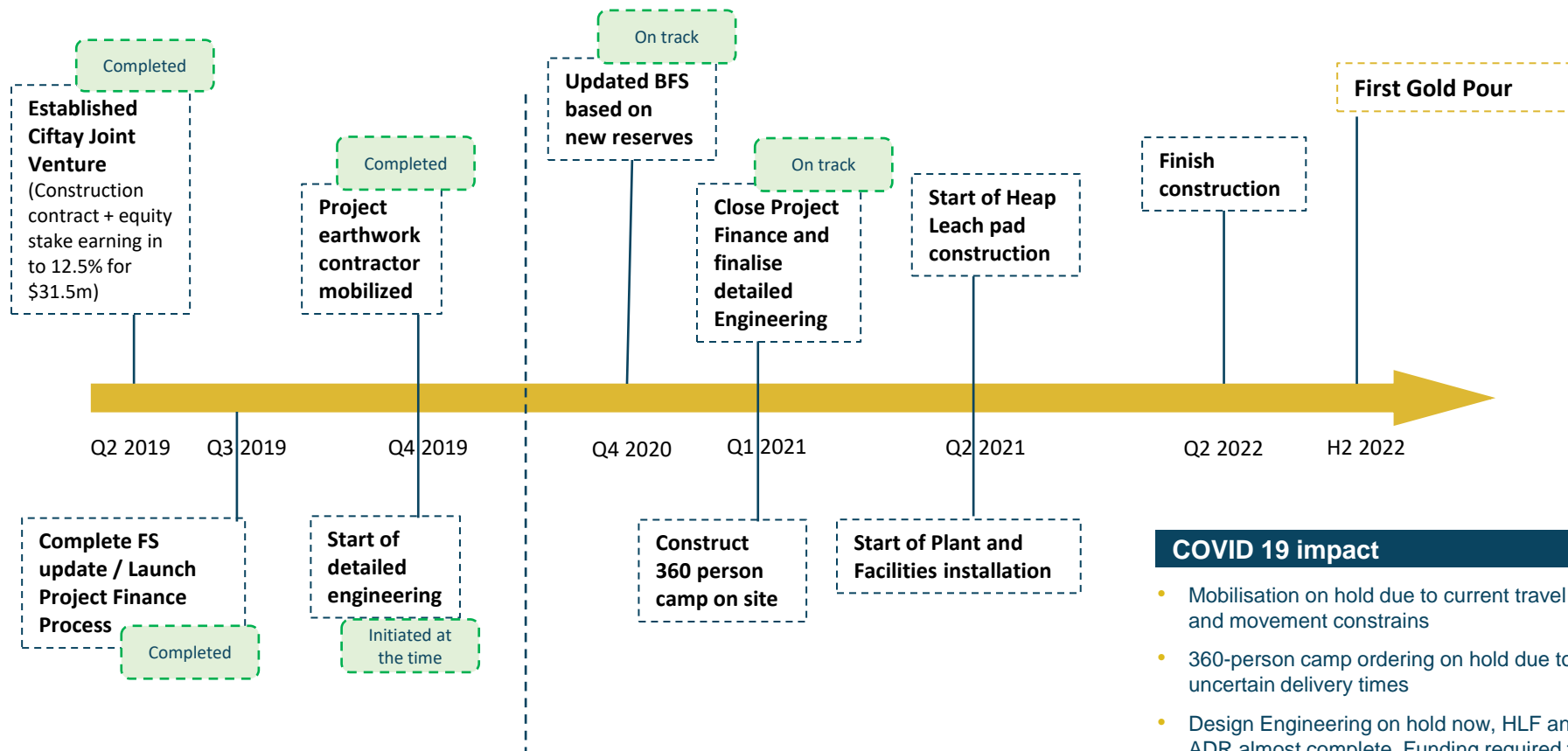
Optimisation based on 2019 drilling and further detailed engineering

➤ **Update of the Feasibility Study expected for Q4 2020**  
**Project financing discussions are progressing with expected closing Q1 2021**



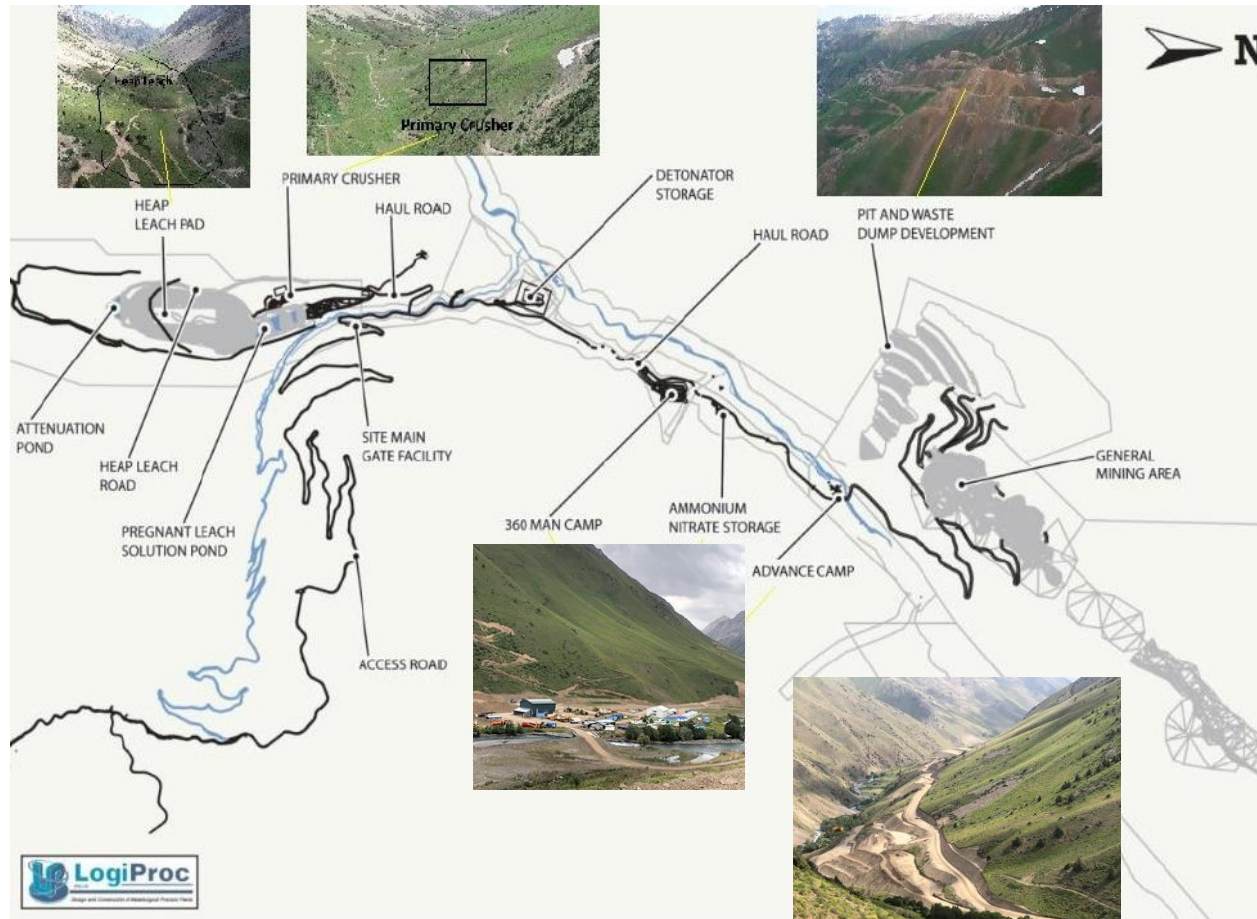
# On Track for First Gold Pour in Q4 2022

## Engineering and Early Construction continuing



**Chaarat is managing to continue detailed engineering and construction work despite COVID-19**

# Site Layout



- Electrical power - provided by a rented diesel generating station comprising generators, step-up transformers and 10kV switchgear
- Raw water will be supplied all year around from two pumping stations drawing water from two separate boreholes
- Other infrastructure comprising camp facilities, administrative buildings, a clinic and laboratories will also be constructed

➤ **10% of project construction completed to date, work on site continuing despite COVID-19**



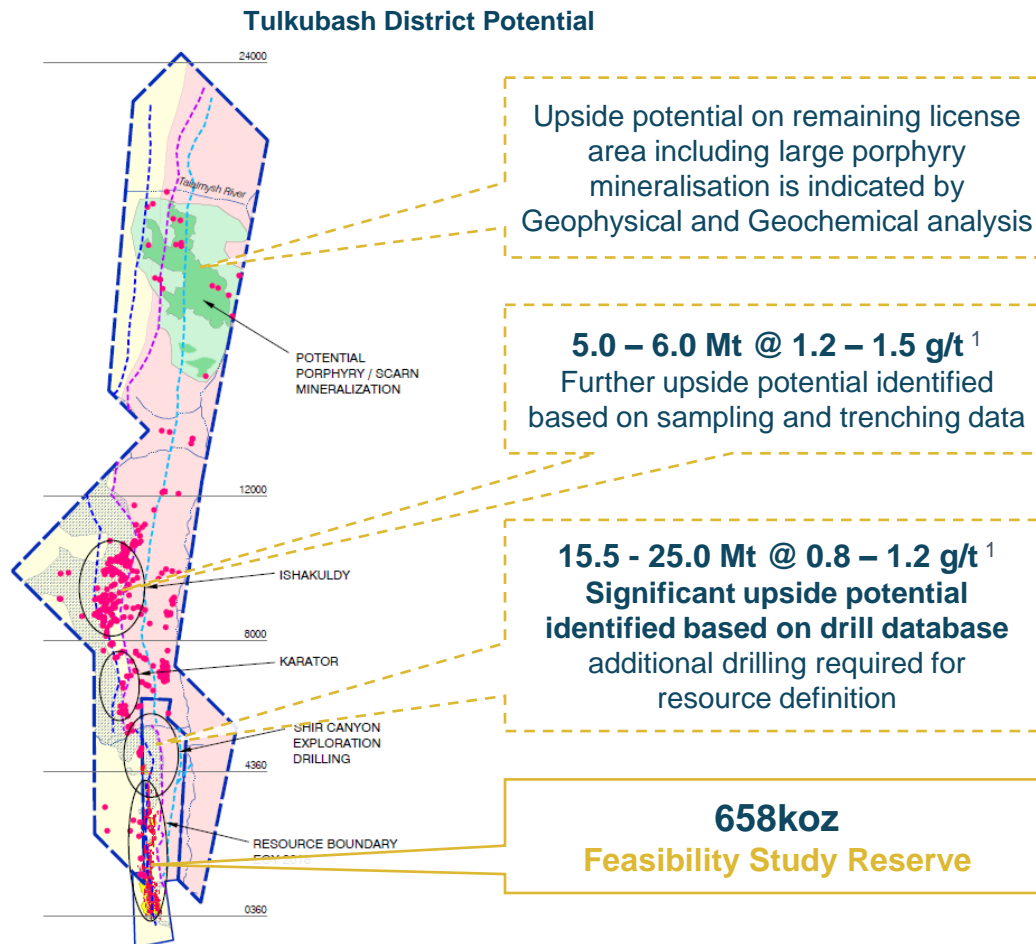
# Significant Potential for Mine Life Extension

## Additional Oxide Exploration Targets for Tulkubash

**73% remains  
un-drilled**

### LEGEND

- Soil Anomaly >0.3 g/t Au
- Crackile Breccia
- Granitic Intrusive
- Potential Scarn
- Tulkubash Zone
- Contact Zone (Kyzyltash)
- Main Zone (Kyzyltash)
- Tulkubash Formation
- Chaarat Formation
- License Boundary



### Subsequent Mine Life Extension Potential

Long-term extension potential

Mid-term extension potential

**Upside potential of est. 5 - 8 years<sup>1</sup>**

**2028**  
Current mine life



**Mine life extension driven by ongoing exploration to identify additional resources**

1. The potential quantity and grade is conceptual in nature with insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource

2. The potential of mine life extension is conceptual in nature with further exploration required to define a Mineral Resource and Minable Reserve to define a Mine Life

# Stage 2 - Kyzyltash

## A Large-Scale Gold Resource

CHAARAT

Chaarat Operations

Tulkubash

Kyzyltash ore body area

**MINE TYPE**  
**Sulphide,  
Refractory,  
Underground**

**PROCESSING TECHNOLOGY**  
**Decision in 2021**

**STAGE**  
**Development**

**TARGET PRODUCTION**  
**c. 300 koz pa**

**RESOURCES**  
**5,377koz Au (JORC)**

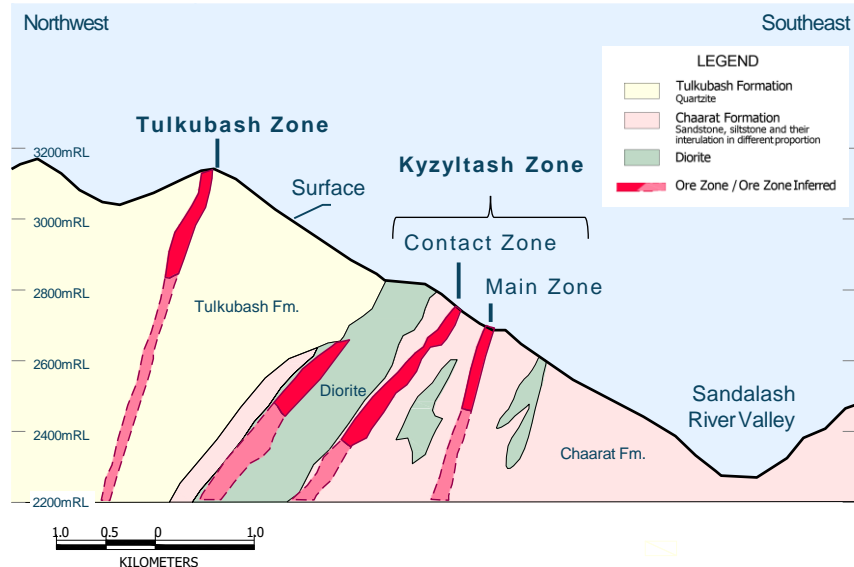
**GRADE**  
**3.8 g/t**

### Attributed Value

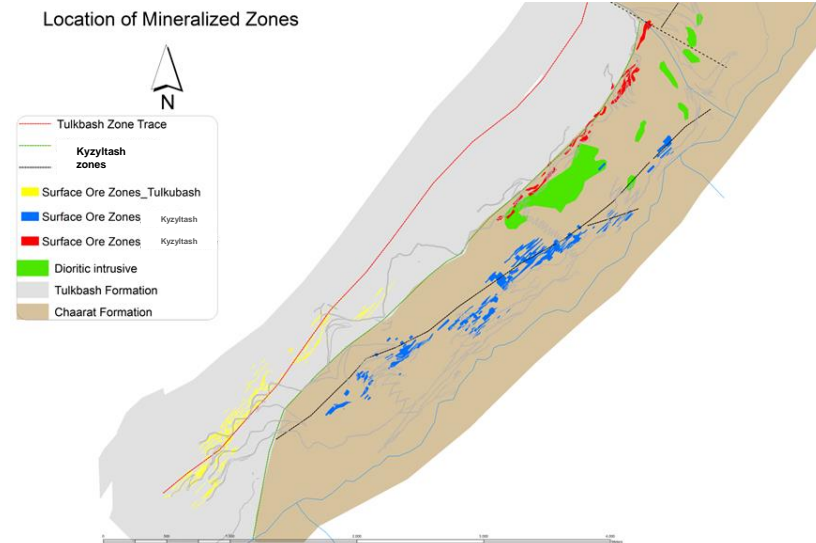
Date	Broker	NPV
01-Oct-20	cg/Canaccord Genuity	implicit
15-Sept-20	SPANGEL	\$124m
11-Sept-20	finnCap	\$234m
	<b>Average</b>	<b>\$179m</b>



### Schematic Section Showing Proximity of Ore Zones<sup>1</sup>



### Illustration of location of Kyzyltash ore bodies



- Substantial resource base of 5.4 Moz Au
- Located on the same property as Tulkubash, providing opportunity for synergies in development
- Thick lenses suitable for bulk mining
- 80,000m drilling conducted to date over 4km strike length
- Geology extends over 20km strike length
- Surface drilling expected to extend strike length, while underground drilling is likely to extend down dip

### Resource Statement (cut off grade 0.2 g/t)

Classification	Tonnes (kt)	Grade (g/t Au)	Gold (Moz Au)
Measured	6,722	3.26	0.7
Indicated	32,794	3.79	3.9
<b>Total Measured &amp; Indicated</b>	<b>39,516</b>	<b>3.70</b>	<b>4.5</b>
Inferred	6,611	4.05	0.8

1. Projected Schematic Oblique Section 4000mN

## Unlocking Value through Defined, Staged Development

Chaarat Operations

- Kyzyltash is a 5.4 Moz refractory sulphide deposit which requires a well-defined processing route. Work is underway to define the optimal processing route with proven technology for such deposits
- In 2016, a Feasibility Study was completed by NERIN on the combined property demonstrating the economic potential
- Study was based on open pit and underground mining of sulphides and a BIOX process
- The study and underlying assumptions will need to be verified in accordance with international best practice in the years to come

NERIN Chinese Feasibility Study Results	Values
Average gold production (koz p.a.)	300
AISC (\$/oz)	630
Capital Expenditures (\$m)	(565)
Project Cash Flow (\$m p.a.)	123
Post-tax NPV <sub>8%</sub> (\$1,250 Au price) (\$m)	309
Post-tax IRR (%)	15

### Selected Comparable Refractory Gold Projects

Company	EV, \$m	Project	PP, moz (100%)	PP, g/t	EV/oz
Novagold Resources	2,801	Donlin, US (Alaska)	33.8	2.09	62
Cardinal Resources	229	Namdini, Ghana	5	1.13	33
Skeena Resources	211	Eskay Creek, Canada (BC)	N/A	N/A	53
Midas Gold	104	Stibnite, US (Idaho)	4.6	1.6	16

Median 43

### Sensitivity on NERIN Feasibility Study

Au price	1,250	1,500	1,750	2,000
Project Cash Flow (\$m p.a.)	123	164	210	257
NPV @ 8%	309	586	911	1,235

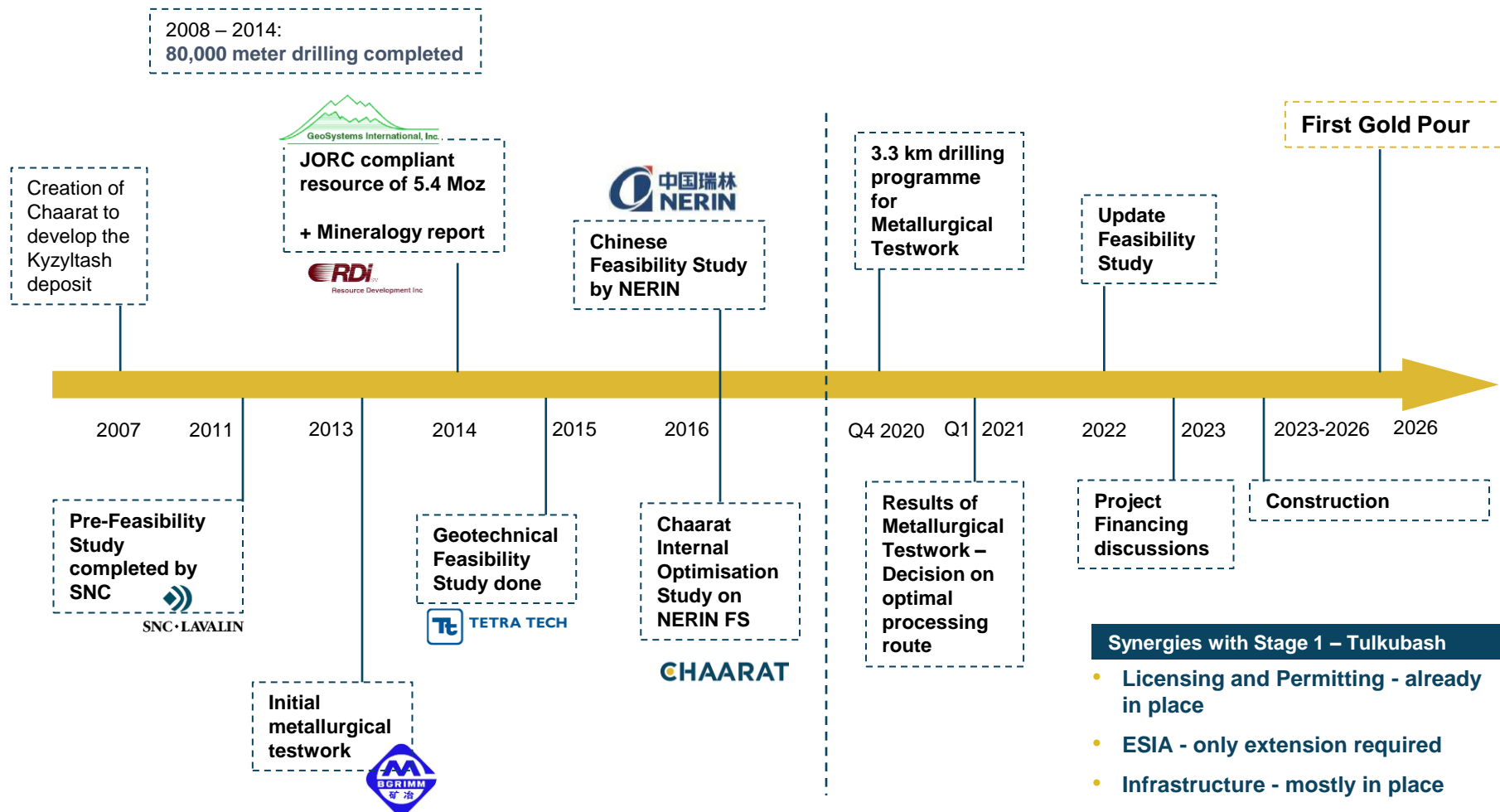


**Kyzyltash offers significant upside as a transformative deposit for Chaarat**



# Pathway to Production

## Leveraging on 10+ Years of Chaarat Intelligence



Definition of the optimal processing route is critical

# Large Scale Kyrgyz Asset Base

## Developing 7 Moz in 2 Stages over 6 Years



**Large Scale Deposit with 7 Moz combined in JORC compliant Resources<sup>1</sup>**



**Significant extension potential in the license area based on drilling, geophysical and geochemical data**



**First Stage (Tulkubash) on track for Project Finance in 2020**

**Second Stage (Kyzyltash) funding mainly from Operating Cash Flows, Project Finance**



**Construction and Equity Partnership with Ciftay who developed similar projects in phases before**



**Strong management expertise**

**Ciftay construction experience**

**Board and Management experience from benchmark projects**



# Operating in the Kyrgyz Republic

## An Established Mining Jurisdiction



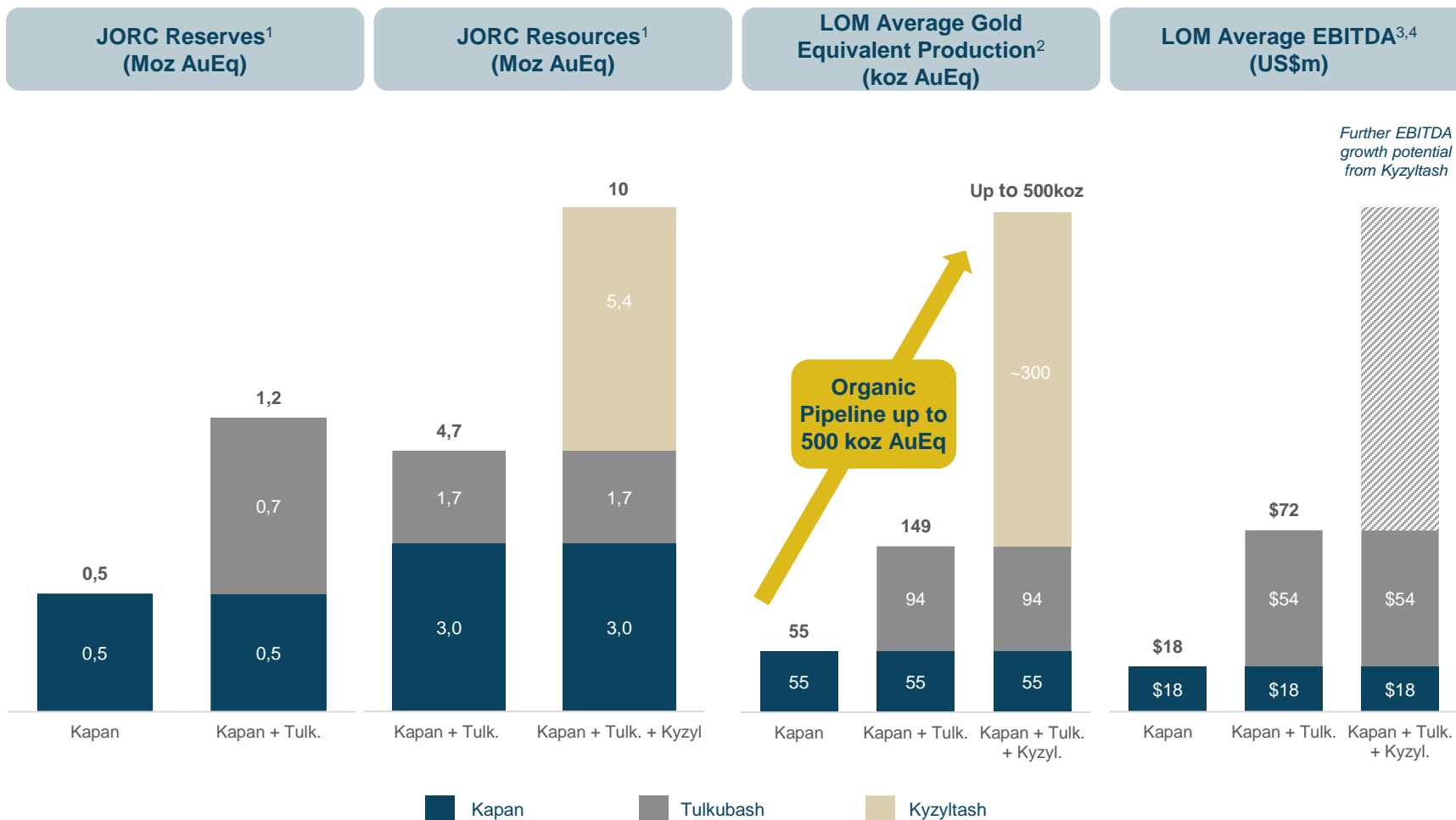
- Mining is a key contributor to the economy of the Kyrgyz Republic
- The country is geologically highly prospective, hosting the Tien Shan Gold Belt – an established large-scale gold producing geological system
- China's Belt and Road Initiative expected to further upgrade infrastructure in the region bringing significant advantages for long-term development

Capital city	Bishkek
Political system	Parliamentary Republic
Population	6.3 million
Economy	
GDP (ppp)	\$23.2 billion (services 54%, industry 31%, agriculture 15%)
GDP per capita	\$3,700
Major exports	Gold, cotton, wool, garments, meat, machinery, minerals
Currency	Kyrgyz som (KGS)
Literacy	99.5%

Sources: SNL, CIA World Factbook

# Key Proforma Metrics

## Establishing a Leading Gold Company in the FSU



1. Resources are shown inclusive of reserves

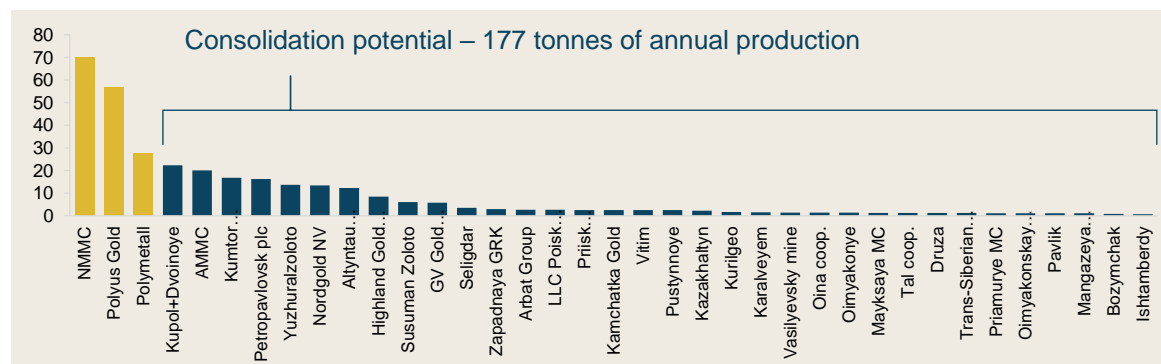
2. AuEq calculated using commodity prices: US\$1,500/oz Au, US\$18.00/oz Ag, US\$6,200/t Cu, US\$2,300/t Zn.

3. Tulkubash - Target LOM average based on the 4 June 2019 updated Feasibility Study, equivalent to 'operating cash flow', calculated for \$1,400 Au price

4. Kapan - Target LOM average based on internal company projections at \$1,400 Au

# M&A Strategic Context

## FSU Gold Sector is Ripe for Consolidation



Key Rationale	
Fragmented	Cash Flow Generative
No Natural Consolidators	Strong Margins (Currency Depn)
Few Buyers	Massively Underexplored





# Financial Overview



# Highly Supportive Shareholder Base

## Proven Ability to Attract Funding

- Secured US\$112m of investment since September 2018 to acquire Kapan and develop portfolio of assets
- Full support from major shareholder (Labro) and a variety of sophisticated stakeholders
- Since 2018, Chaarat has completed \$22m in equity issuances, with a primary purpose of providing institutional shareholders an entry point for acquiring Chaarat shares
- Protecting shareholders from dilution by using innovative financing  
- Senior loan, convertible debt, and revolving loan facilities while maintaining a healthy balance sheet
- Chaarat has been extremely proactive in managing its financial requirements and has successfully raised capital while continuing to demonstrate shareholder value creation
- Included in the FTSE AIM All Shares (AXX), FTSE AIM Supersector – Basic Resources (AXBASR) and other indices
- Aiming to upgrade to LSE main market over time or with transformative M&A transaction

### Capital Structure (based on 35p share price)

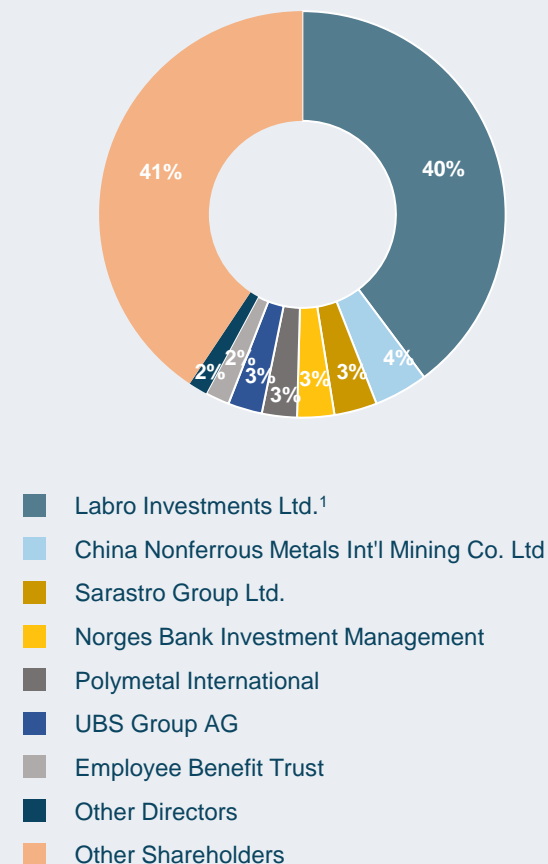
<b>Market cap (£m)</b>	<b>184</b>
Market cap (US\$m)	237
Shares outstanding (m)	525
<b>Debt (US\$m)</b>	<b>68</b>
<b>Enterprise value (US\$m)</b>	<b>305</b>

Sources: Chaarat Website, Thomson Eikon as at 6 October 2020, GBP:USD 1.29

Table values may not align due to rounding effects

Note 1: Labro Investments Ltd. – controlled by Martin Andersson (Chairman)

### Major Shareholders



# Corporate Finance Update

## Proactive Management of Capital Structure

Despite the COVID-19 environment Chaarat has made great progress to optimize the capital structure

### YTD 2020 Capital Achievements

- Reduced outstanding debt by over USD10 million
- Successfully completed public equity raise of USD13.8 million in April
- Refinanced and extend Investor Loan with USD13.5 million maturing December 2024 and USD7 million maturing in December 2021

### Consolidated Debt Profile (current)

	Units	Value	Maturity
Kapan Loan Facility	USD k	28,000	02/2023
Labro Loan Facility	USD k	13,500	12/2024
Investor Loan Facility	USD k	7,000	12/2021*
2021 Convertible Bond	USD k	19,680	10/2021
Labro Working Capital Facility	USD k	0	12/2020
<b>Total</b>	<b>USD k</b>	<b>68,180</b>	

### Outlook

**Kapan Senior Debt Loan** – will be reduced further by USD2 million in 2020, another USD10 million in 2021. Potential to refinance or extend

**Labro Loan** - refinanced to 2024 when Tulkubash is expected to be fully operational

**Investor Loan** - will potentially be refinanced in Q4 2020 as the company has term sheets with favorable terms

**2021 Convertible Bond** - convertible to equity at maturity in Q3 2021 (~36.5p strike price)

**Labro Working Capital Facility** – USD6.5 million available

 **Chaarat continues to evaluate opportunistic capital opportunities to either refinance existing financing facilities and/or reduce its overall cost of capital**



# Chaarat Upside Potential

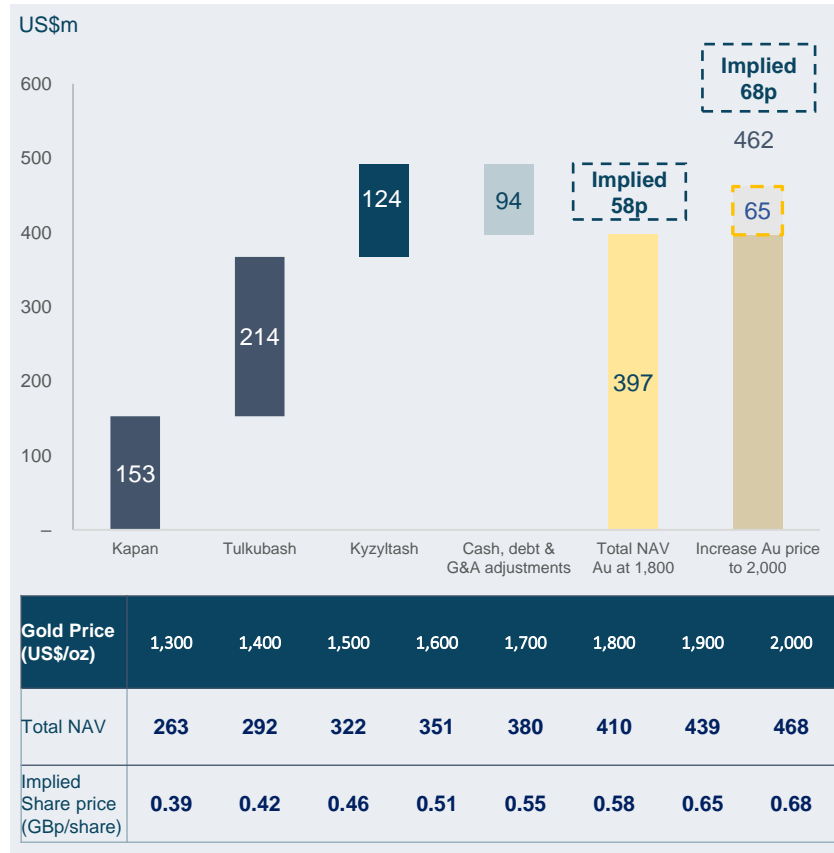
## Reasons why Chaarat Could Re-Rate

- Kapan mine life extension, East Flank development and free cash flow growth
- Tulkubash reserve and resource base growing, with construction plan on track
- Significant Kyzyltash resource supports long-term growth through staged development
- Actively advancing pipeline of M&A targets

## Brokers Estimate the Fair Value of the Stock at an Average 71% Premium to a GBp 35 Trading Price

Date	Broker	Rating	Target price (GBp)	Premium to 35p price (%)
01-Oct-20	cg/ Canaccord Genuity	Buy	63	80%
15-Sept-20	SPANGEL	Buy	58	66%
11-Sept-20	finnCap	Buy	60	71%
	<b>Average</b>		<b>60</b>	<b>71%</b>

## Broker NAV\* Implies Undervaluation



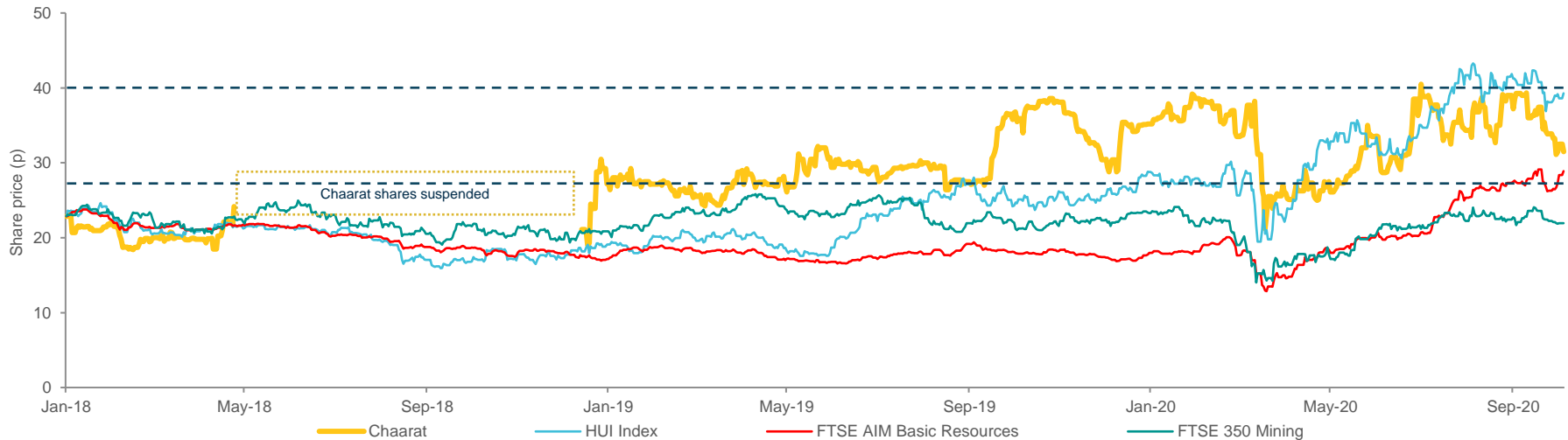
**Significant potential share price upside implied by broker consensus NAV estimates**

Sources: Broker reports, Thomson Eikon as of 10 September 2020

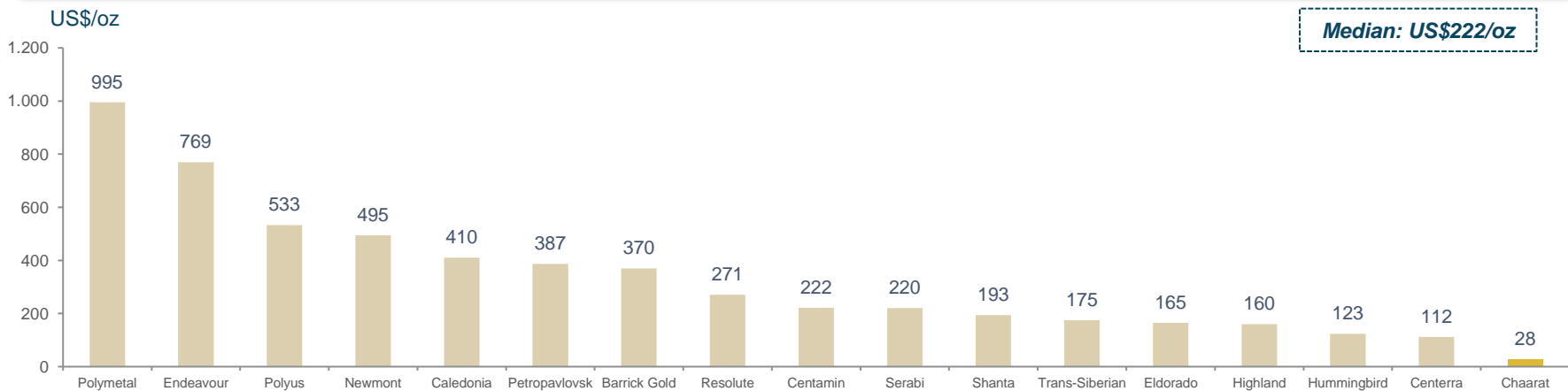
\*Broker NAV is calculated using SP Angel model with Au price \$1,800/oz, GBP:USD: 1.30

# Chaarat Significantly Undervalued

## Share price (p)



## EV / Resources vs. Peer Group



Source: Broker research, Thomson Eikon as at 6 October 2020

# Why Invest in Chaarat?

## Experienced management

Chaarat managed by a high-quality operating team supported by a fully overhauled independent board

## Strong growth prospects

Impressive existing asset base with substantial organic growth opportunities

## Accretive M&A opportunities

Positioned to capitalise on fragmented asset base in FSU region through accretive M&A

## Supportive shareholders

Supported by notable shareholder base and alignment of interest with management

## Proven ability to attract funding

Proven track record of accretive capital raising with continued access to financing markets

## Undervalued

Undervalued relative to peers with significant share price potential



# Investor Relations

Contact

## Contact:

**Patrick Henze**

VP Corporate Development & Investor Relations

[IR@chaarat.com](mailto:IR@chaarat.com)

**CHAARAT**

<https://www.chaarat.com/>



<https://twitter.com/ChaaratG>



<https://www.linkedin.com/company/chaarat-gold-holdings-limited/>

## Broker contacts:

<b>cg</b> / Canaccord Genuity	+44 (0) 20 7523 8000
Henry Fitzgerald-O'Connor, James Asensio (NOMAD & Joint Broker)	
<b>SP</b> ANGEL	+44 (0) 20 3470 0470
Ewan Leggat (Joint Broker)	
<b>finn</b> Cap	+44 (0) 20 7220 0500
Christopher Raggett (Joint Broker)	

# Risk Factors

**An investment in the Ordinary Shares involves a high degree of risk, should be considered speculative because of the nature of the Group's business and should only be made by those with the necessary expertise to appraise the investment.**

Prospective investors should carefully consider the risks described below (which are considered by the Directors to be the risks specific to the Group and its industry and which are material to taking an investment decision in the Ordinary Shares and does not purport to be an exhaustive summary of the risks affecting the Group) and their own personal investment objectives and financial circumstances before deciding whether to invest in the Ordinary Shares. If in doubt as to whether to invest in the Ordinary Shares, investors should consult with an independent financial adviser who specialises in advising on the acquisition of shares and other securities.

**A copy of the Company's Admission Document may be accessed from this link.**

<https://www.chaarat.com/wp-content/uploads/2018/12/Re-Admission-Document.pdf>

For the purposes of this Presentation, risk factors in Part III of the Admission Document are deemed fully incorporated herein but are only intended to give potential investors in the Company an indication of the types of operational and general risk factors that investors should consider. It is the responsibility of all potential investors to satisfy themselves as regards any particular risks by consulting their own professional advisers.

The risks set out in Part III of the Admission Document have the potential to materially and adversely affect the Group's business, financial condition and results of operations and/or the Company's share price. In such case, an investor may lose all or part of his or her investment. Additional risks and uncertainties not currently known to the Directors, or which the Directors currently believe to be immaterial, may also have an adverse effect on the Group. An investment in the Company is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses which may arise therefrom (which may be equal to the whole amount invested).

There can be no certainty that the Company will be able to implement successfully the strategy set out in this document. Neither the Company nor the Directors provide any assurances or guarantees of future profitability, distributions, payment of dividends, return of capital or the performance of the Company or its Ordinary Shares and there can be no assurance that the Company will achieve its objectives.

# Competent Person Statement

## Competent Person – East Flank Exploration Target

*The updated Target Exploration Estimate of the East Flank target area of the Kapan project was prepared Chaarat technical staff under the supervision of Mr. Joe Hirst, B.Sc. (hons), M.Sc., EurGeol. CGeol. Mr. Hirst is former Senior Resource Geologist at Chaarat and now an Independent Geological Consultant to Chaarat. Mr Hirst is a Chartered geologist with more than 17 years of experience in the mineral Resource industry who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. He has supervised the work which is the subject of this release. Mr. Hirst consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.*