

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

**CHAARAT**

# Chaarat Gold

Building a Leading Gold Company  
in the FSU

**Ticker: AIM:CGH**  
January 2022



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# Building a Leading Gold Company in the FSU

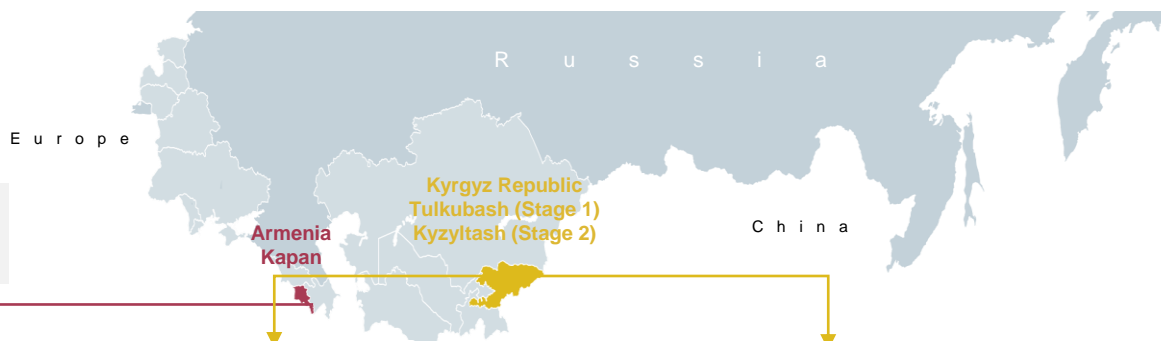
Company Overview



**1.0 Moz AuEq**  
P&P Reserves



**9.5 Moz AuEq**  
M&I, I Resources

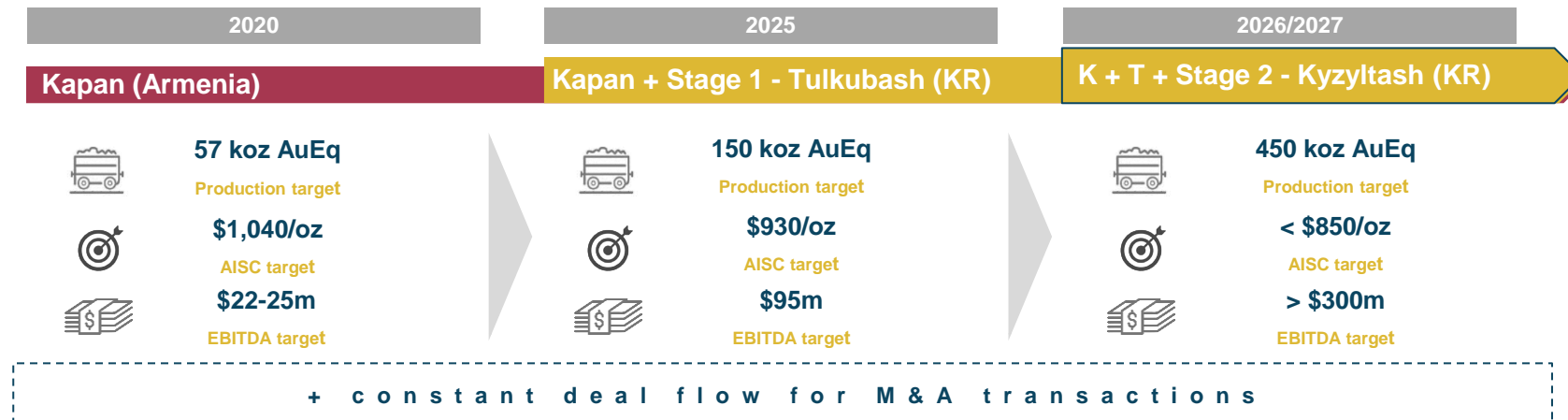


Kapan	Producing
Commodities	Au, Ag, Cu, Zn
LOM Avg. Production <sup>1</sup>	c. 57koz AuEq
LOM Avg. EBITDA	c. US\$22-25m
Reserves	471 koz AuEq
Resources <sup>2</sup>	2,961 koz AuEq




Tulkubash	Construction
Commodities	Au
Target LOM Avg. Production	c. 95 koz Au
Target LOM Avg. EBITDA	c. US\$72m <sup>3</sup>
Reserves	571koz
Resources <sup>2</sup>	1,177koz

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

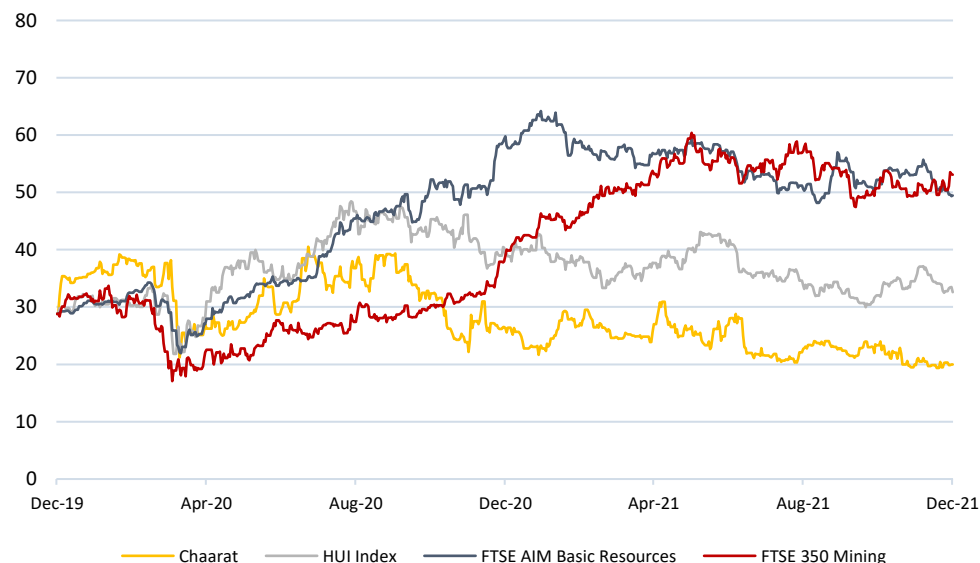
Corporate Information	
Ticker Symbol	AIM:CGH
Share price	GBp 0.25 / share
Shares & Options	Common Shares: 686,612,153 Options: 56,805,258 <sup>1</sup>
Market Capitalisation (\$m)	<b>242<sup>2</sup></b>
Net Debt position (\$m)	<b>30<sup>3</sup></b>
Major shareholders	<ul style="list-style-type: none"> <li>▪ Labro Investments Ltd. / Martin Andersson (43.5%)</li> <li>▪ East Capital Asset Management AB / Norges Bank Investment Management (6.3%)</li> <li>▪ China Nonferrous Metals Int'l Mining Co Ltd. (3.3%)</li> <li>▪ Sarastro Group (2.6%)</li> <li>▪ Directors and Employee Benefit Trust (2.5%)</li> </ul>
Broker contacts	<div>  +44 (0) 20 7523 8000         </div> <div>  +44 (0) 20 7886 2500         </div> <div>  +44 (0) 20 7220 0500         </div>

1. As of 31<sup>st</sup> December 2020, all options with a strike price of 42p

2. At GBP:USD 1.41

3. As of 31<sup>st</sup> October 2021

## Share price (GBp) relative to Benchmark Indices



## Research Analysts Target Price

Date	Broker	Rating	Target price (GBp)	Premium to 25p price (%)
17-Nov-21		Buy	60	140%
16-Nov-21		Buy	44	76%
17-Nov-21		Buy	57	128%
	<b>Average</b>		<b>54</b>	<b>115%</b>



# Key Management

## Leading Operational, Commercial and Regional Experience



**Martin Andersson**  
**Executive Chairman**  
*Appointed: October 2016*

- Company's largest shareholder and Executive Chairman since late 2016, overseen and led transformation strategy
- Actively involved long-term investor with broad business and regional experience
- Previously Co-founded Brunswick Brokerage – a Moscow based investment bank that was later sold to UBS
- Previously CEO and, from 1999, chairman of the joint venture, Brunswick UBS Warburg



**Michael Fraser**  
**Chief Executive Officer**  
*Appointed: January 2022*

- 20 years of extensive experience in the global mining and metals industry
- Former Chief Operating Officer of ASX listed South32
- Previously President and Chief Operating Officer of South32 Africa Region
- Prior Human Resources President of dual LSE- and ASX-listed BHP Limited and Asset President of Mozal Aluminium



**Darin Cooper**  
**Chief Operating Officer**  
*Appointed: June 2019*

- Over 30 years' experience in the mining industry, spanning operations, projects, restructuring 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)



**Dimitar Dimitrov**  
**Senior Vice President, Exploration**  
*Appointed: November 2020*

- Over 30 years of experience in greenfield, brownfield exploration and development
- Recently providing principal consultancy for Eldorado Gold, Assarel, Teck Cominco
- Former VP Exploration of Euromax Resources
- Previously extensive exploration management experience with companies as Royal Gold Inc or Phelps Dodge in SE Europe, Caucasus and Russian far east



**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**  
Appointed October 2016



**Michael Fraser – CEO**  
Appointed January 2022



**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 mgnt 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



**Sandy Stash**  
Independent  
Non-Executive Director

Appointed: May 2020

- Over 35 years of international executive and non-executive board experience.
- Previous top leadership positions in ESG, engineering and operations, HSE, and external affairs in both the energy and hard rock mining industries.
- Currently non-executive director and chair of the safety and sustainability committee of FTSE 250-listed Diversified Gas & Oil plc



**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

# Company substantially transformed since the Arrival of the New Management Team

	H1 '18	Q1 '19	Q2 '19	Q3 '19	Q4 '19	Q2 '20	Q4 '20	H1 '21	H2 '21
<b>Management / Board</b>	<ul style="list-style-type: none"> <li>New CEO / CFO</li> </ul>	<ul style="list-style-type: none"> <li>Creation of independent board</li> </ul>	<ul style="list-style-type: none"> <li>Hire of COO</li> </ul>					<ul style="list-style-type: none"> <li>Appointment of Sandy Stash</li> </ul>	<ul style="list-style-type: none"> <li>Appointment of Mike Fraser</li> </ul>
<b>Asset Development</b>	<ul style="list-style-type: none"> <li>Signed term sheet for Kapan</li> </ul>	<ul style="list-style-type: none"> <li>Closing of Kapan for \$50m</li> </ul>	<ul style="list-style-type: none"> <li>Completed BFS Tulkubash</li> </ul>	<ul style="list-style-type: none"> <li>Identified East Flank growth opportunity at Kapan</li> </ul>	<ul style="list-style-type: none"> <li>Kapan life of mine update</li> </ul>	<ul style="list-style-type: none"> <li>Kyzyltash Metallurgical study completed</li> </ul>		<ul style="list-style-type: none"> <li>Updated Tulkubash BFS for Project Finance</li> </ul>	<ul style="list-style-type: none"> <li>Positive Exploration Results on Kyrgyz Assets</li> </ul>
<b>Strategy</b>	<ul style="list-style-type: none"> <li>Relisting of Chaarat</li> </ul>	<ul style="list-style-type: none"> <li>Signed JV with Ciftay for \$31.5m</li> </ul>			<ul style="list-style-type: none"> <li>Signing of stabilization agreement for Kyrgyzstan</li> </ul>			<ul style="list-style-type: none"> <li>Received support from new president in KR</li> </ul>	
<b>Financing</b>	<ul style="list-style-type: none"> <li>Completed \$20m CB offering</li> <li>Completed Investor loan of \$10m</li> <li>Closing of \$15m working capital facility</li> </ul>	<ul style="list-style-type: none"> <li>Closing of \$40m Debt facility</li> </ul>		<ul style="list-style-type: none"> <li>Upsize of Investor loan to \$17m</li> </ul>	<ul style="list-style-type: none"> <li>Equity Raise of \$6m</li> </ul>	<ul style="list-style-type: none"> <li>Extension of loans, completion of \$14m equity raise due to COVID</li> </ul>	<ul style="list-style-type: none"> <li>Extension and refinancing of \$22m investor loans</li> </ul>	<ul style="list-style-type: none"> <li>Primary equity placement of \$52 million</li> </ul>	<ul style="list-style-type: none"> <li>Extension of Convertible Loan Notes to 10/2022</li> </ul>
<b>Kapan EBITDA</b>	2018: \$8.7m			2019: \$12.7m		2020: \$19.4m		H1 2021: \$13.5m	

➤ Completed over \$175m of capital inflow

➤ Moved from developer to producer

➤ Assembled exceptional management team

➤ Created a growth focused gold asset portfolio



ESG –  
Integral Part  
of Day-to-Day  
Operations





# Environmental, Social and Governance

## Committed to the Highest International ESG Standards

### Environmental



- **Tulkubash**
- Compliance with all local environmental regulations in Kyrgyz Republic
- International industry-standard practice
- Design follows International Cyanide Management Code guidelines
- **Kapan**
- improvements to Tailings Management Facility
- SRK – IFC compliant audit
- Water recycling

### Social



- **Tulkubash**
- Workforce > 90% Kyrgyz nationals
- Supports local economy by creating indirect job opportunities
- Strong Social Engagement from local teams that understand local issues
- Annual Chaarat Cup to promote community sports and social engagement
- **Kapan**
- Workforce >99% Armenia
- Built a 100 children kindergarten
- Renovation of female health department at Kapan medical centre
- Strong engagement with local government on social programs

### Governance



- Focus on diversity within work force (supporting Women in Mining)
- ESG role established in corporate reporting
- Company fully complies with UK and US FCPA. Bribery and inappropriate support requests are refused
- Encouragement of its employees to use its whistle-blower policies
- Independent board structure in place

### Safety



- International Health & Safety best practices used throughout operations and construction sites
- Hazard recognition emphasized employee safety training
- Contractors integrated into Chaarat safety Management programs
- **Covid-19**
- Renovations to hospital and police building to enable isolation and social distancing
- Provided COVID antibody tests to Kapan hospital
- Provided PCR unit and reagents to Kyrgyz Government for regional testing
- Implemented controls to reduce workplace infections

# COVID-19 Measures

Implementation of regular testing of employees



Site hygiene/sanitary measures



Practising 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 precautionary measures since February 2020 and is continuously supporting the sites and communities





# Chaarat Operations

Construction works at Tulkubash Project, Kyrgyz Republic



Underground level inspection at Kapan, Armenia

# Operating in Armenia

## Mining Friendly Jurisdiction

Chaarat Operations



- 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%

Sources: SNL, CIA World Factbook



# Kapan Mine – Armenia

## Producing Asset with Upside Potential

CHAARAT

Chaarat Operations

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

**PROCESSING**  
**Flotation**

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

**AISC**  
**US\$ 1,034 /oz<sup>2</sup>**

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

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

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

### Attributed Value

Date	Broker	NPV (US\$)
17-Nov-21	cg/Canaccord Genuity	208m
16-Nov-21	Panmure Gordon AND COMPANY	98m
17-Nov-21	finnCap	119m <sup>4</sup>
	<b>Average</b>	<b>141m</b>

1. 2020 production actuals

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

## Exceeded 2020 production guidance

### Delivering on targets...

	2020	2019
Throughput <sup>2</sup>	744,705	+0.3%
Mine head grade	3.03 g/t AuEq	+3%
Production <sup>4</sup>	58 koz AuEq	+3%
AISC	\$1,034/oz AuEq	-0.6%

VS.

### ... and continuing the positive trend from 2020<sup>1</sup>

	H1 2021	H1 2020
Throughput	374,794	+2.5%
Mine head grade	3.33 g/t AuEq	+13%
Production <sup>3</sup>	26 koz AuEq +3 <sup>rd</sup> party production	-4% positive incl. 3 <sup>rd</sup> party production
AISC	\$1,063/oz AuEq	-1%

VS.

### Significant upside potential through

1

#### Operational improvements

Further optimisation planned for 2021

2

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

Continuous supply in 2021 and expected for 2022

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

Exploration on time and on budget  
Scoping study in progress



**Stable operation with significant upside potential from East Flank development**

1. Values are based on an AuEq calculation based on a gold price of USD1,500/oz, Silver price of USD18/oz, Copper price of USD6,200/t and Zinc price of USD2,300/t..

2. Incl. third-party ore processing

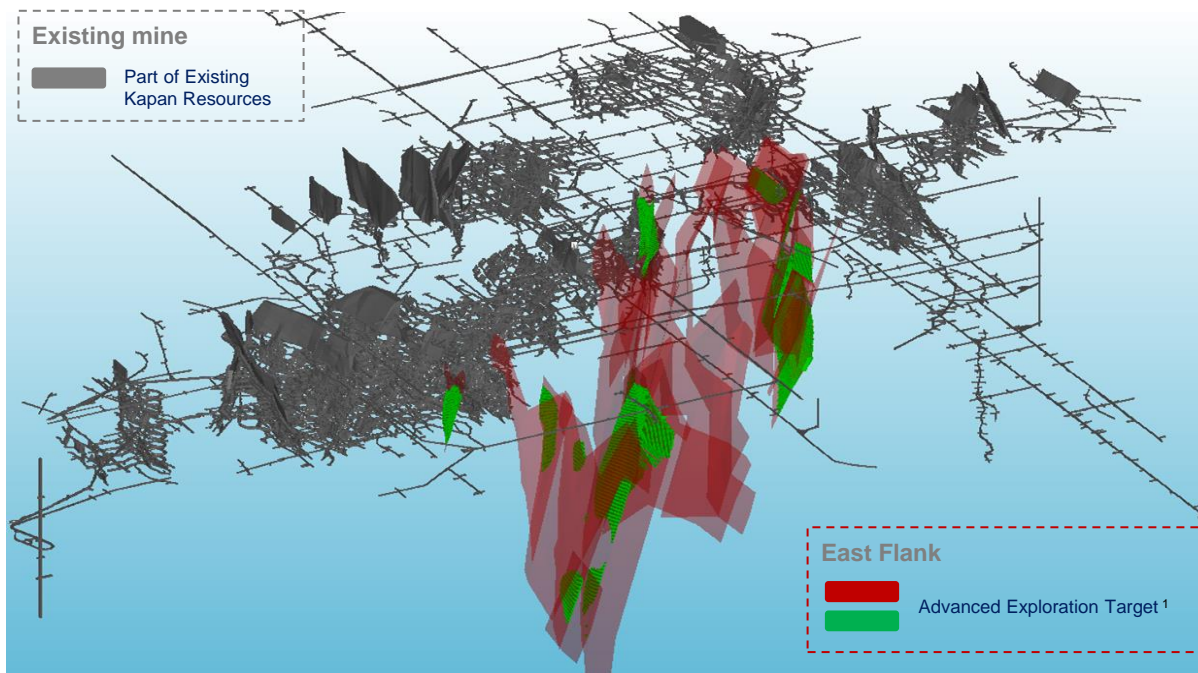
3. W/o contractors in this statistic

4. incl. third-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	2021	c. \$3m
Development	2021/22	c. \$1-2m
Equipment	2022	c. \$3-5m



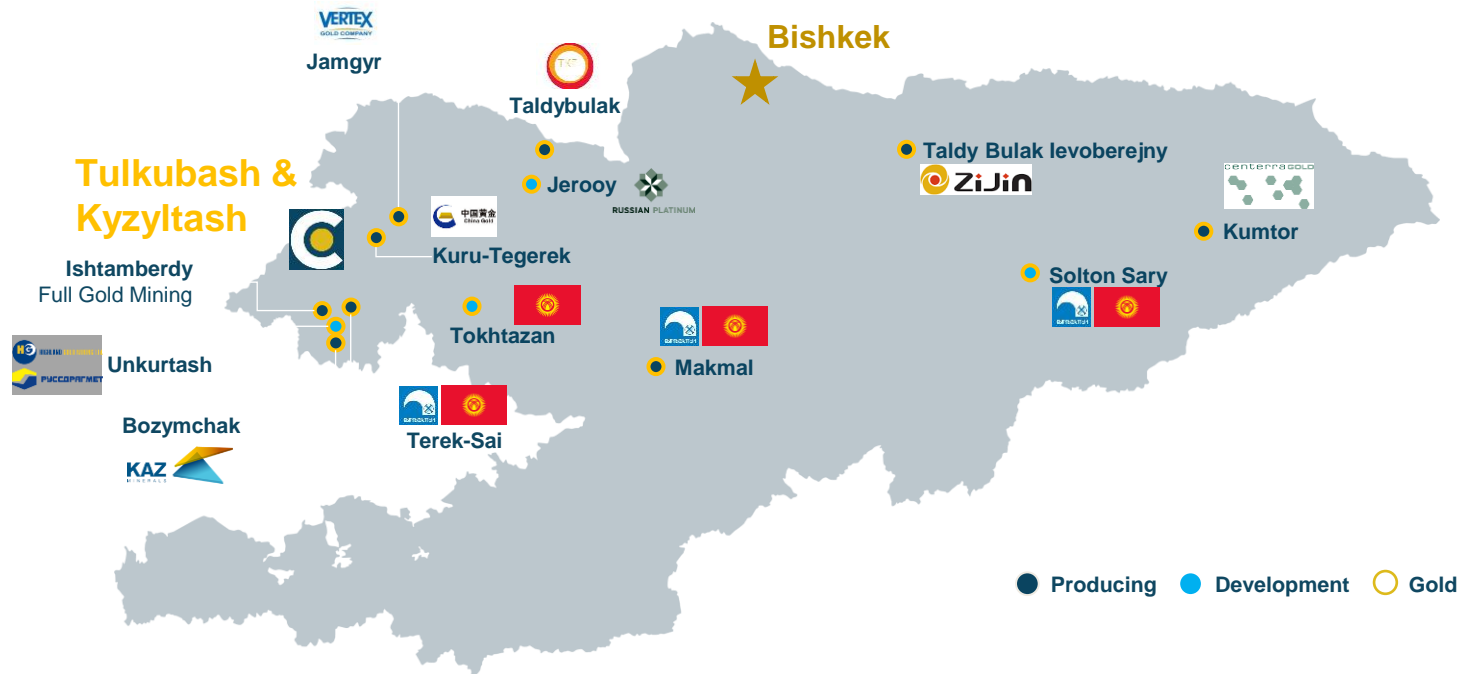
**East Flank could provide quality ore to the mill from H2 2022**

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 the Kyrgyz Republic

## An Established Mining Jurisdiction

Chaarat Operations



- 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



# Stage 1 - Tulkubash

## Construction Pathway to First Gold in H2 2024

CHAARAT

Chaarat Operations

### MINE TYPE

Oxide, Open pit

### PROCESSING

Heap Leach

### STAGE

In Construction, CAPEX  
of US\$115m

### AISC

US\$ 866 /oz<sup>1</sup>

### PRODUCTION

95 koz Au pa

### RESERVES (BFS 2021)

571 koz Au @ 0.85 g/t

### RESOURCES (BFS 2021)

1,177 koz Au @ 0.73 g/t

### Mine Life

Initial 5 years, targeting  
c. 10-15 years

### Attributed Value

Date	Broker	NPV (US\$)
17-Nov-21	cg/Canaccord Genuity	321m <sup>2</sup>
16-Nov-21	Panmure Gordon AND COMPANY	62m
17-Nov-21	finnCap	172m
	Average	185m

Chaarat Gold Holdings Limited

1. Average AISC/oz produced over LOM

2. At 50% weighting of broker report NPV

1. Target LOM averages as announced in the  
May 2021 Feasibility Study update ([here](#))

# Attractive Project Economics

## Updated Bankable Feasibility Study released

### 2021 Feasibility Study Results

Feasibility Study Result	Unit	Value
Average gold production	koz	95
AISC	USD/oz	866
Initial Capital Expenditure (inc cont)	USDm	115
Post-tax NPV <sub>5%</sub> (USD 1,450 Au price)	USDm	85
Post-tax IRR	%	25

### Feasibility Study Sensitivity

Au   Ag price (USD/oz)	1,450   17.5	1,700   22.0	1,870   27.7 (Spot)
Ave Project Cash Flow p.a.	44	55	64
LOM Project Cash Flow incl. CAPEX (USDm)	134	199	217
NPV <sub>5%</sub> (USDm)	85	135	157
Post-tax IRR	25%	35%	39%

### Construction underway

USD 50m already invested in capital, USD 115m remaining

Most earthwork completed, haul road and site pads built, camp constructed

Currently camp construction ongoing

### Low AISC

Open-pit operation

Heap leach processing

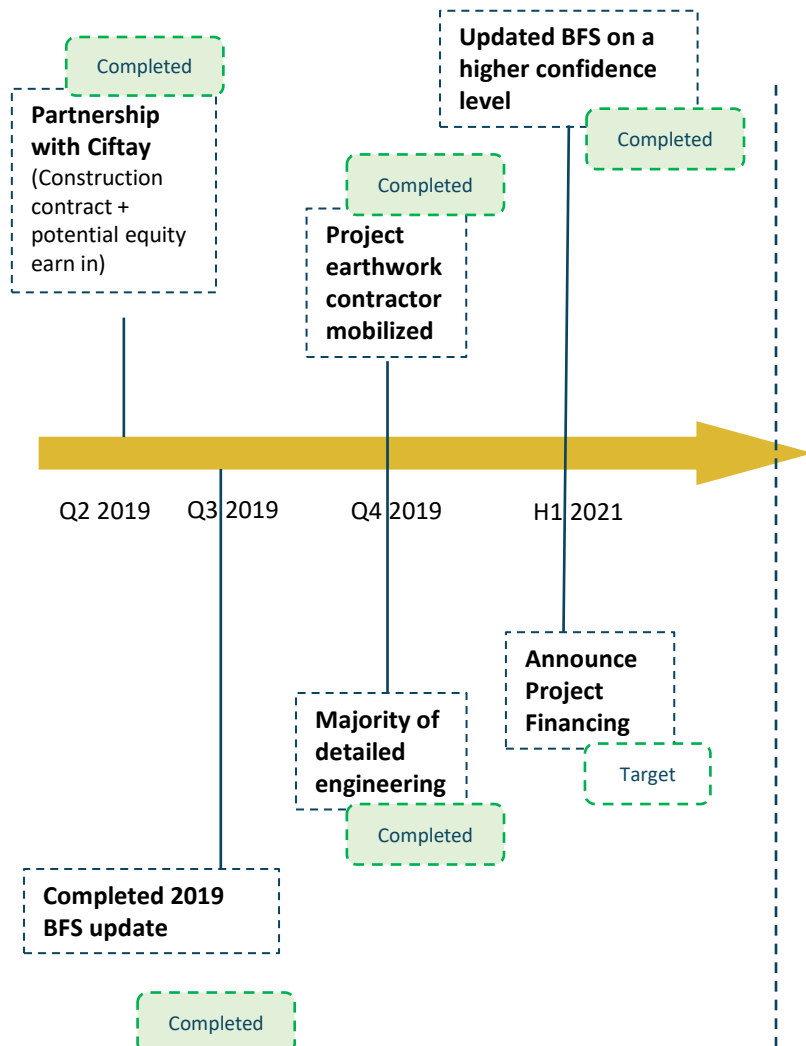
Forecast AISC of USD 866/oz

### Funding

Chaarat / Ciftay (Equity)	Secured	35
Project Finance (Debt)		80
<b>Initial Capital (incl. 10% cont.)</b>		<b>115</b>

# Targeting First Gold Pour in H2 2023

## Engineering and Early Construction continuing

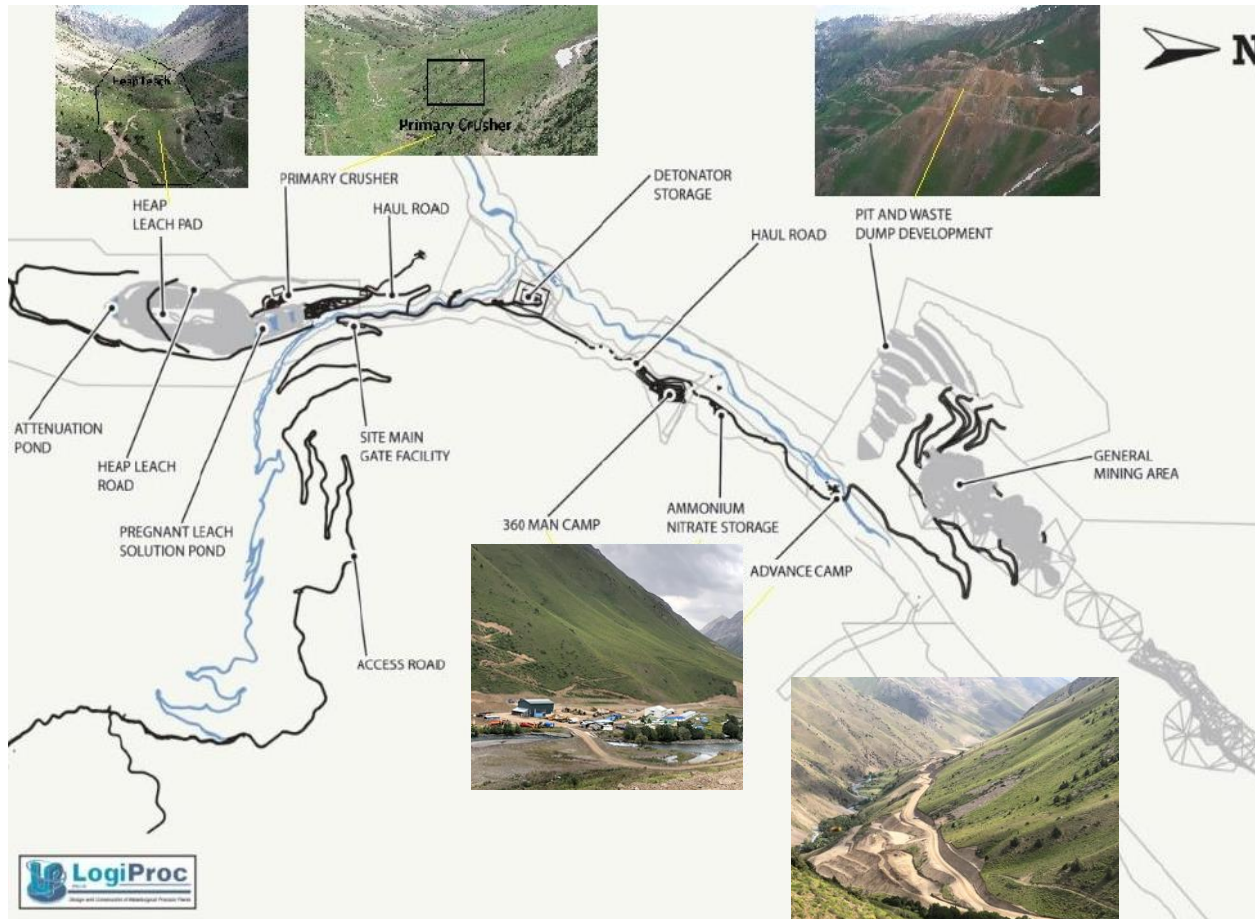


	2022				2023				2024			
Key construction milestone	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Pamir remobilization												
Start of HLF Bulk Earthworks												
Camp Construction Complete – Phase I/II												
Start of Pre-stripping												
Haul Road Construction Complete												
First Ore Stacking to Heap Leach												
First Gold Dore Poured												

- The Project is fully permitted for construction and operation
- New competitive tenders through the COVID 19 period led to further improvements
- All equipment for construction ready
- Execution strategy for successful monitoring and control via Integrated Project Management Team (IPMT) approach
  - Chaarat will manage the Project with the support of various engineering companies, including LogiProc, Azmet, YPT, Ausenco and Ken-Too
  - The IPMT, led by Chaarat, will handle project management, procurement, and construction management using in-house resources
  - A flat organisation structure will favour rapid decision making



# Tulkubash Site Layout



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



**11% of project construction completed to date**

# Tulkubash – Construction Works

Equipment on Site



Lower Slipway Bridge



Earthworks for Processing Plant Site



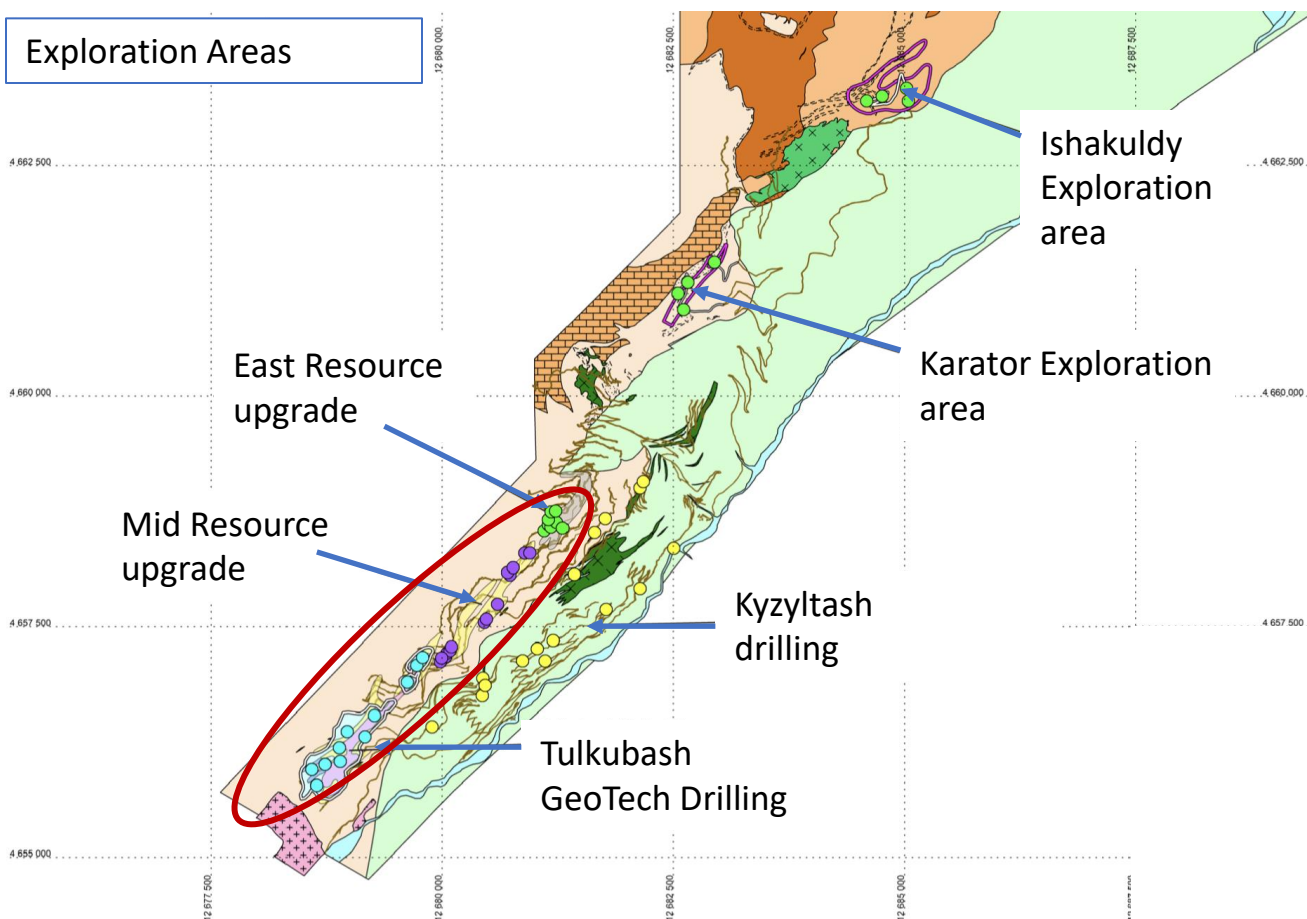
Development Camp





# Tulkubash Exploration Programme

## Exploration Areas



## Infill drilling

- Infill drilling of parts of resource to convert inferred and unclassified mineralisation to M&I

## Exploration potential

- 2021 Exploration programme targeted high potential areas to the NE (along Strike) of the existing Tulkubash deposit
- Kyzyltash drilling programme to collect core for metallurgical testing to identify appropriate processing method for refractory ore
- 2021: 5,000 meters of infill and exploration drilling and 9,500 meters of trenching

## Licence area

- 2022 exploration program targeting to quantify the mineral potential in the remaining 70% of the license area not fully explored

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



# Stage 2 - Kyzyltash

## A Large-Scale Gold Resource

CHAARAT

Chaarat Operations

Kyzyltash ore body area

Tulkubash

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

**PROCESSING TECHNOLOGY**  
**Decision in 2022**

**STAGE**  
**Development**

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

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

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

### Attributed Value

Date	Broker	NPV (US\$)
17-Nov-21	cg/Canaccord Genuity	321m <sup>1</sup>
16-Nov-21	Panmure Gordon AND COMPANY	202m
17-Nov-21	finnCap	294m
	<b>Average</b>	<b>272m</b>



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

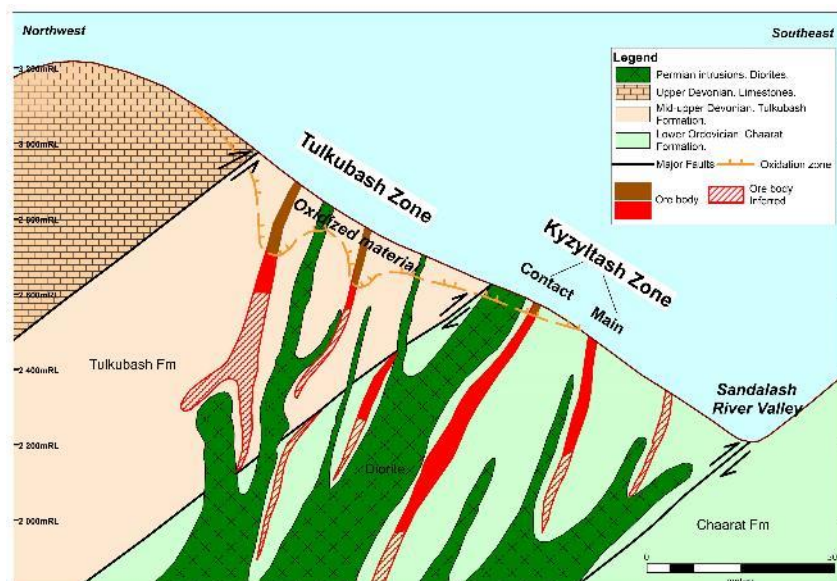
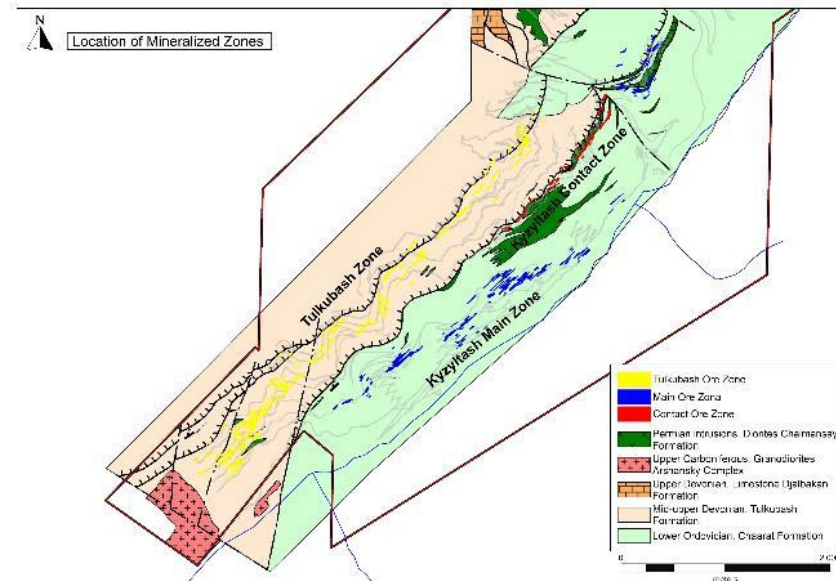


Illustration of location of Kyzyltash ore bodies



Resource Statement (cut-off grade 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

- 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
- Favorable geology extends over extra 12 km strike length to northeast with more mineralization inferred based on interpretation of structural, geochemical and geophysical data
- Further exploration drilling expected to reveal the extension of mineralisation on-strike and down-dip

1. Projected Schematic Oblique Section



## 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

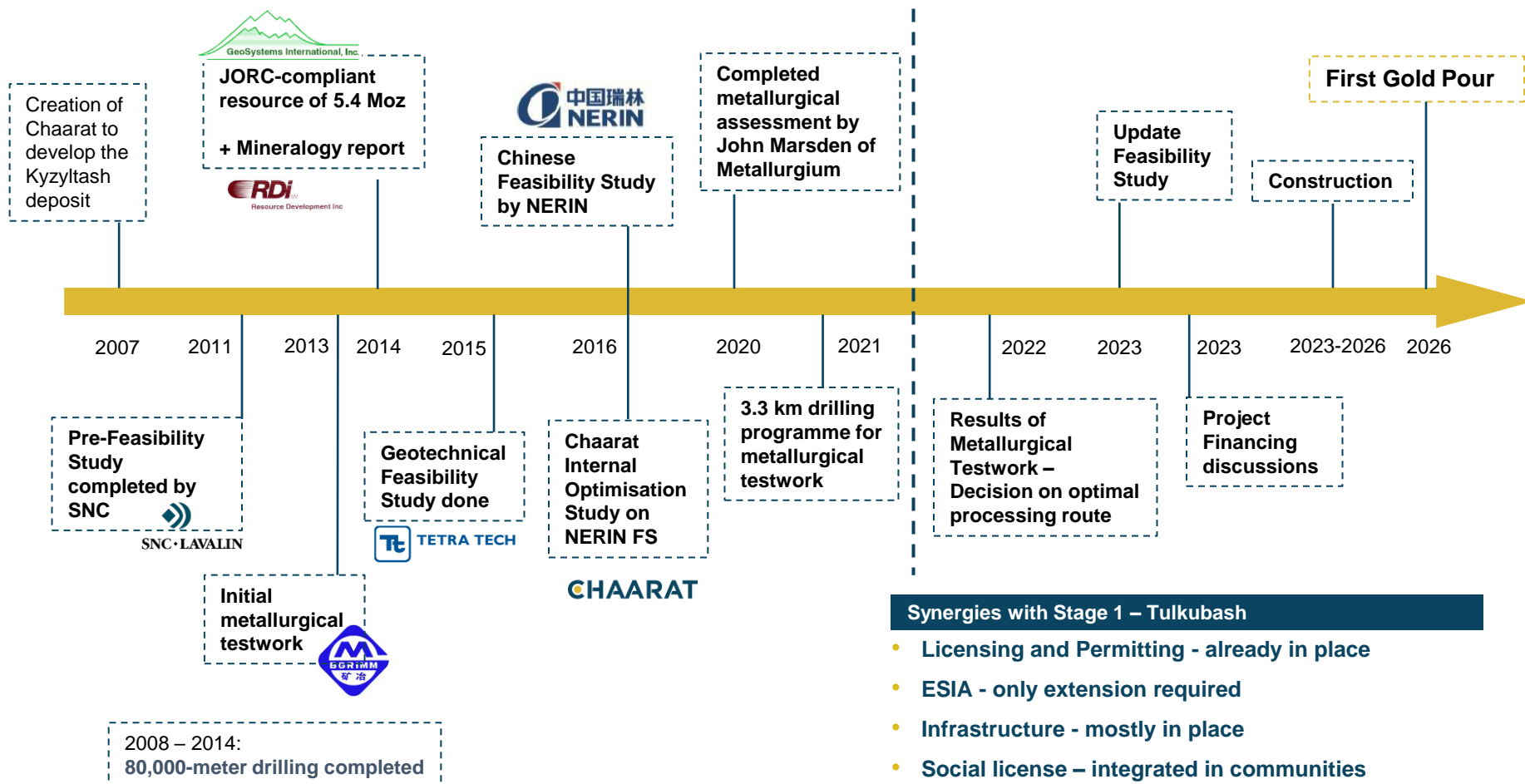
Au price	1,250	1,500	1,750	2,000
Project Cash Flow (\$m p.a.)	123	164	210	257
NPV @ 8%	309	586	911	1,235



**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 in 2022 is the next milestone for the project



# Key Proforma Metrics

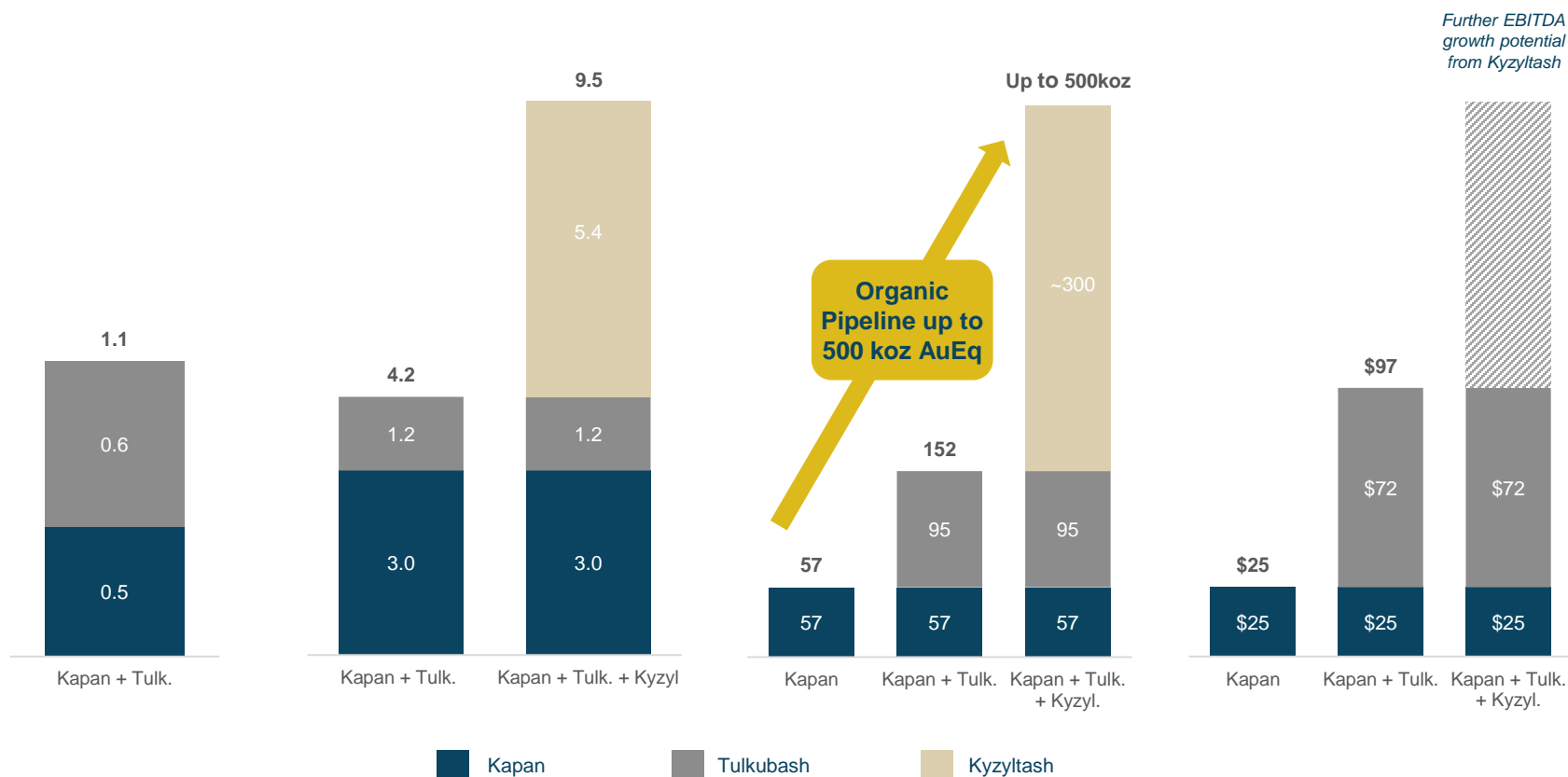
## Establishing a Leading Gold Company in the FSU

JORC Reserves<sup>1</sup>  
(Moz AuEq)

JORC Resources<sup>1</sup>  
(Moz AuEq)

LOM Average Gold  
Equivalent Production<sup>2</sup>  
(koz AuEq)

LOM Average EBITDA<sup>3,4</sup>  
(approx., US\$m)



1. Resources are shown inclusive of reserves

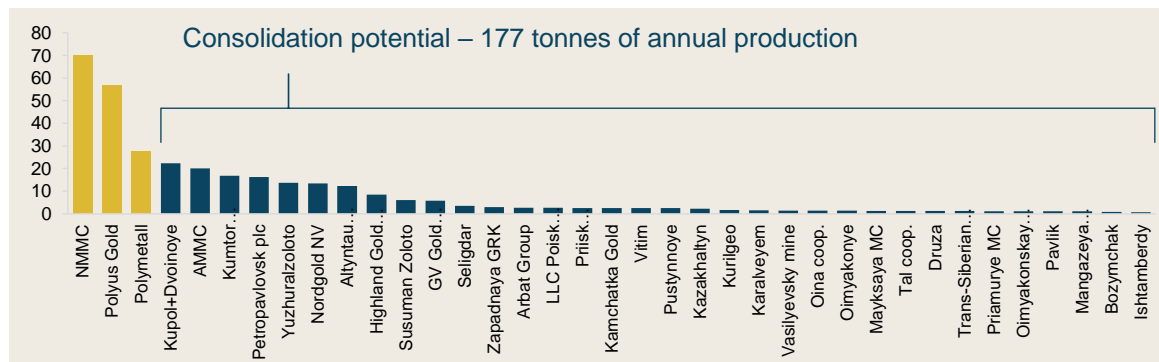
2. AuEq calculated using commodity prices: \$1,750/oz Au, \$26.00/oz Ag, \$6,500/t Cu, \$2,400/t Zn. EBITDA target based on the same price deck.

3. Tulkubash - Target LOM average based on the 4 June 2019 updated Feasibility Study, equivalent to 'operating cash flow', calculated for \$1,750 Au price

4. Kapan - Target LOM average based on internal company projections at \$1,750 Au

# M&A Strategic Context

## FSU Gold Sector is Ripe for Consolidation



Sources: United States Geological Survey, SNL

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





# Financial Overview



# Highly Supportive Shareholder Base Proven Ability to Attract Funding

- Secured over US\$175m of committed capital since September 2018 in order to advance Chaarat's strategic initiatives
- Full support from major shareholder (Labro) and a variety of sophisticated stakeholders
- Since April 2019, Chaarat has completed \$72m in equity issuances, which have provided institutional investors with entry point for acquiring Chaarat shares
- Protecting shareholders from dilution by using innovative financing  
- Senior loan, convertible debt, and other loan facilities while maintaining a healthy balance sheet
- Chaarat has been 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 a 25p share price)

<b>Market cap (£m)</b>	<b>171</b>
Market cap (US\$m)	242
Shares outstanding (m)	686
<b>Net Debt (US\$m)</b>	<b>30</b>
<b>Enterprise value (US\$m)</b>	<b>252</b>

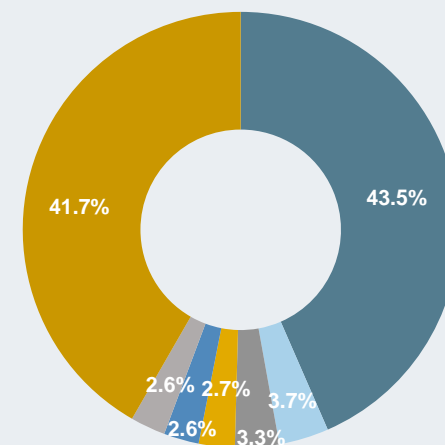
Sources: Chaarat Website, Thomson Eikon as at 24 May 2021, GBP:USD 1.41

Table values may not align due to rounding effects

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

Note 2: As per latest share register on 24<sup>th</sup> May 2021

## Major Shareholders



- Labro Investments Ltd
- East Capital Asset Management AB
- China Nonferrous Metals Int'l Mining Co. Ltd
- Norges Bank Investment Management
- Sarastro Group
- Other Directors, Employee Benefit Trust
- Other Shareholders

# Corporate Finance Update

## Proactive Management of Capital Structure

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

### Capital Achievements

#### 2021 Activities

- Equity – USD 52 million raise in February 2021
- Debt Reduction
  - USD 22.2 million debt to equity conversion of the Labro Loan
  - USD 4 million repayment of the Kapan loan to date
- Extension
  - Convertible Loan Note extension by 1 year

### Consolidated Net Debt Profile (12/2021)<sup>1</sup>

	Units	Value	Maturity
Kapan Loan Facility	USD k	19,286	02/2023
2021 Convertible Bond <sup>2</sup>	USD k	26,739	10/2022
<b>Total Debt</b>	USD k	<b>46,025</b>	
<i>Net debt</i>	<i>USD k</i>	<i>33,025</i>	

### Outlook

**Kapan Senior Debt Loan** – will be reduced further by USD8 million in 2022 with potential to refinance as Kapan is a stable production asset

**2022 Convertible Bond** - convertible to equity at maturity in Q3 2022 (~30p strike price) or refinanceable or repayable in cash

**Tulkubash project finance expect to close in H1 2022** expected to add USD80 million of debt in next two years at competitive terms

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

1. As of 31<sup>st</sup> December 2021, excludes short term liabilities  
2. Incl. accrued interest

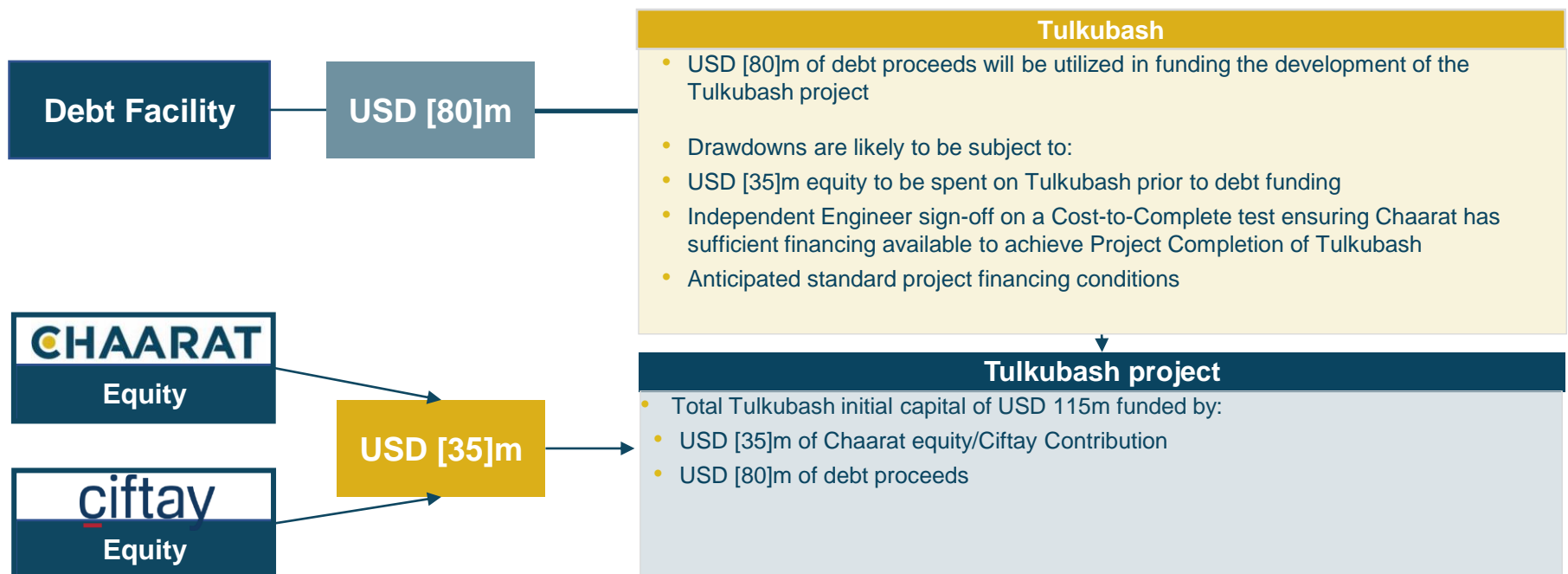


# Project Finance Update

## BFS enabling to finalise Debt Facility

### Potential Debt Facility

- Funds received in the February 2021 fundraise will mostly be utilised as equity for the Tulkubash project funding
- A debt facility of approx. USD 80 million is envisaged to cover the remaining part of the project cost
- Due to the current tensions between the government of Kyrgyz Republic and the owner/operator of Kumtor mine, debt facility providers may require the situation to ease before closing the facility.



# Chaarat Upside Potential

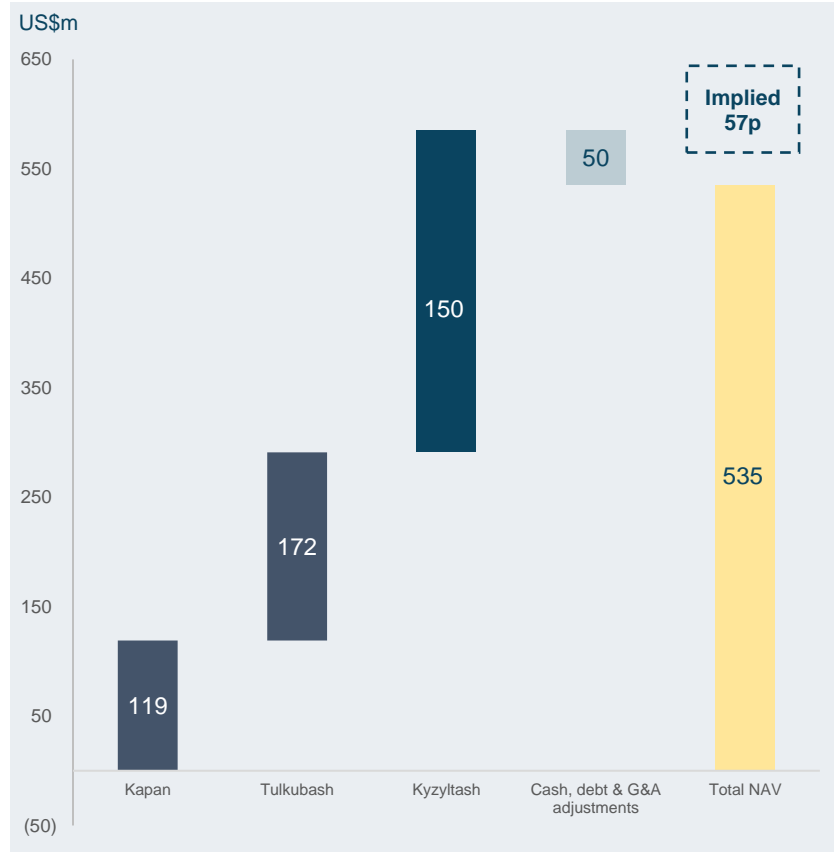
## Reasons why Chaarat Could Re-Rate

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

## Research Analysts Target Price

Date	Broker	Rating	Target price (GBp)	Premium to 25p price (%)
17-Nov-21	cg/Canaccord Genuity	Buy	60	140%
16-Nov-21	Panmure Gordon AND COMPANY	Buy	44	76%
17-Nov-21	finnCap	Buy	57	128%
	<b>Average</b>		<b>54</b>	<b>115%</b>

## Broker NAV\* Implies Undervaluation

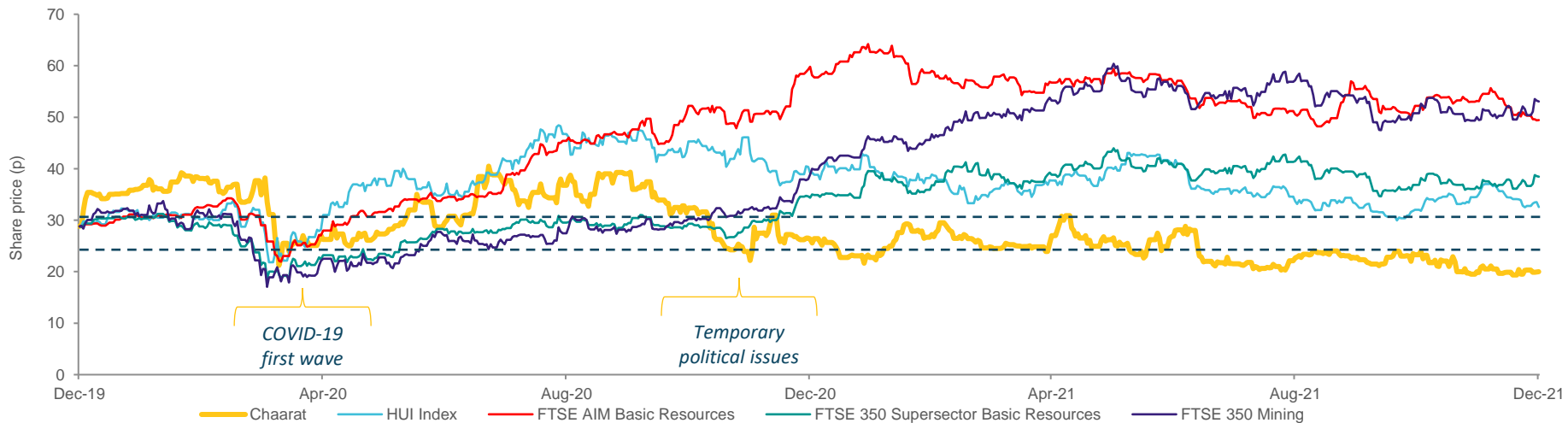


**Significant potential share price upside implied by broker consensus NAV estimates**

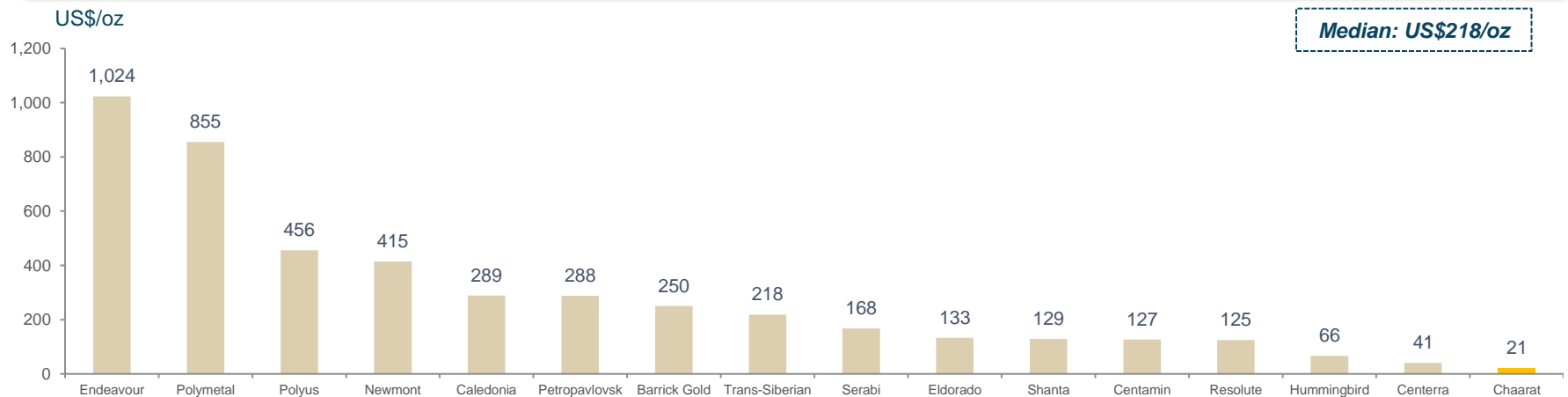
Sources: Broker reports, Thomson Eikon as of 10 January 2021  
 \* Broker NAV is calculated using FinnCap's broker model numbers

# Chaarat Significantly Undervalued

## Share price (p)



## EV / Resources vs. Peer Group



Source: Broker research, Thomson Eikon as at 10 December 2021



# Upcoming Milestones

Updated Bankable Documents	<ul style="list-style-type: none"> <li>Tulkubash updated BFS including independent third-party review</li> </ul>	Completed
Tulkubash Project Financing	<ul style="list-style-type: none"> <li>Complete Project Financing and commence full scale construction of Tulkubash</li> </ul>	Targeting H1 2022
Kapan	<ul style="list-style-type: none"> <li>Started East Flank exploration in H1 2021 with first ore targeted in late 2022</li> </ul>	In process
Kyzyltash	<ul style="list-style-type: none"> <li>Decision on optimal processing route targeted in 2022</li> </ul>	H2 2022
Corporate	<ul style="list-style-type: none"> <li>Will continue to reduce debt profile - ~\$8m by year end</li> <li>Refinance existing debts and reduce cost of capital</li> </ul>	Ongoing



**Clear Near Term Accretive Milestones For Further Development of Chaarat**

# Why Invest in Chaarat?

## Experienced management

Chaarat managed by a high-quality operating team supported by an 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 existing 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 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>Panmure Gordon</b> AND COMPANY	+44 (0) 20 7886 2500
John Prior (Joint Broker)	
<b>finnCap</b>	+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 2020 Annual Report may be accessed from this link.**

[https://www.chaarat.com/report\\_category/annual-reports/](https://www.chaarat.com/report_category/annual-reports/)

For the purposes of this Presentation, risk factors in the Annual Report 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 the Annual Report 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.

The risk factors have not been updated since the 2020 Annual Report publication date.

# Competent Person Statement

## Competent Persons – Tulkubash 2021 BFS

<b>Company</b>	<b>Responsibility</b>
LogiProc	Overall project management; mineral processing and metallurgical testing; recovery methods; project infrastructure; capital cost estimate, economic analysis, operating cost estimate, project execution plan.
Viktor Usenko Evgeny Fomichev	Geological block model and associated data integrity.
Peter Carter	Mining method review; and ore reserve statement. Competent person for ore reserves and Mining Engineering.
WAI	Environmental studies, permitting, and social or community impact; geochemistry; hydrology; hydrogeology.
Ausenco	Heap leach facility design.

The 2020 Mineral Resource Estimate was produced by Victor Usenko, Principal Geologist, MAIG, Director of the Department of Solid Metals at the Institute of Geotechnologies Moscow ("IGT") who has more than 13 years of experience in resource geology and Evgeny Fomichev, Principal Geologist, MAIG, head of the geological department at IGT who has more than 10 years of experience in resource geology. Both are competent persons as defined by the JORC code.

The statement of Ore Reserves has been reported in accordance with the classification criteria of the JORC Code, 2012 and is 100% attributable to Chaarat and prepared by Mr Peter C Carter, an independent consulting mining engineer, based on a review of work performed by Chaarat Gold technical staff. Mr Carter is a member of the Association of Professional Engineers and Geoscientists of British Columbia and is qualified as a Competent Person under the JORC Code, 2012. Mr. Carter has over 30 years' experience in mine engineering, operations, and management. He has completed assignments in North America, Asia, and Africa with a focus on open pit mining and significant exposure to heap leach operations.

## Competent Person – East Flank Exploration Target

The updated Target Exploration Estimate of the East Flank target area of the Kapan project was prepared by 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 presentation. Mr. Hirst consents to the inclusion in this presentation of the matters based on this information in the form and context in which it appears.