



Eurasia Mining

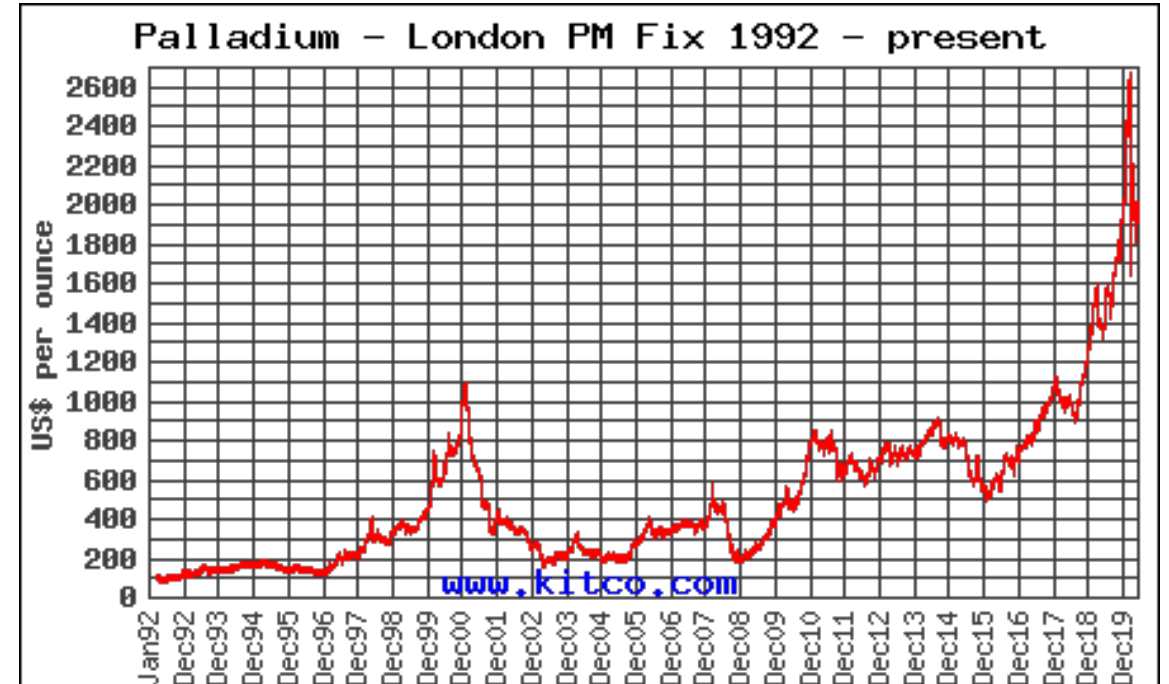
EXTRACTING VALUE FROM PALLADIUM

UPDATED JULY 2020

Palladium

- Atomic Number 46
- Used in Catalytic Converters (>50% of usage)
- Also used in electronics, fuel cells and jewelry

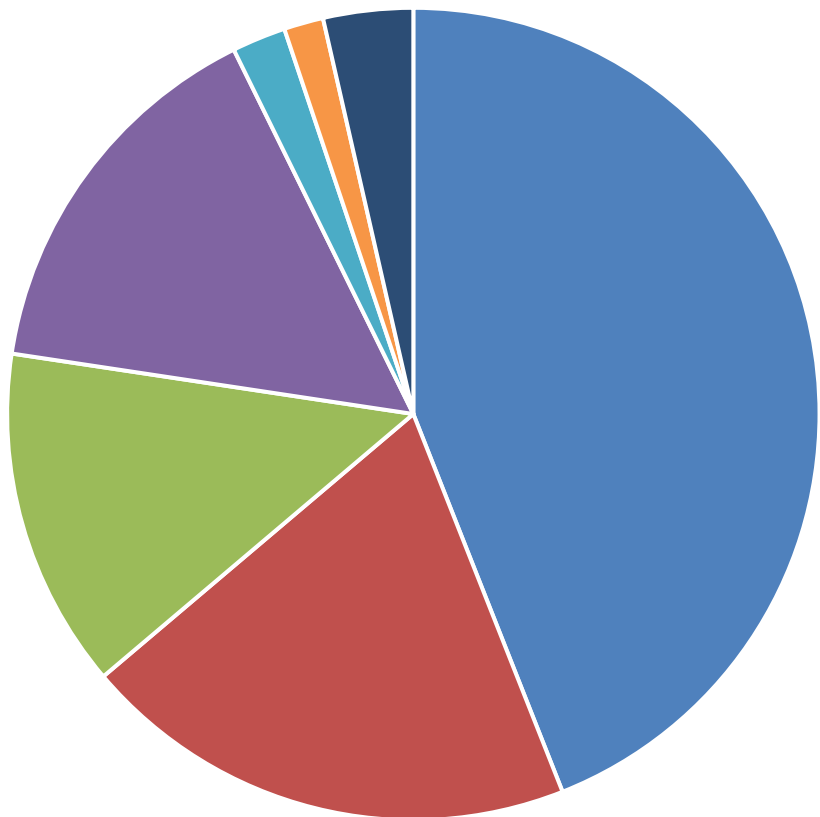
Mined in South Africa, Russia and North America



In structural deficit – prices rising sharply since 12.2018

Background Information

Palladium Production 2019



■ Norilsk ■ Anglo American ■ Sibanye ■ Implats ■ Northam ■ Africa ■ Vale

3080 Koz – Norilsk Nickel, Russia
1386 Koz – Anglo American, South Africa
1030 Koz – Implats (& NAP), South Africa & North America
949 Koz – Sibanye, South Africa & North America
250 Koz – Vale, North America
250 Koz – Northam, South Africa
250 Koz – Africa Rainbow Minerals (ARM), South Africa

Recycling – approx 3400 Koz

2019 Demand – 11500 Koz
Deficit approx 1100 Koz

Potential longterm for Eurasia, Russia
>850 Koz – Monchetundra
65 Koz – West Kytlim

Main players in Palladium

Changing dynamic with COVID-19

EXTRACTING VALUE FROM PALLADIUM - JULY 2020

Company	2019	2020	Reduction	Official Updates
Norilsk Nickel	3.08Moz		222Koz	Q1 – down 222Koz
Anglo American Platinum (Amplats)	1.39Moz		285Koz	Apr20 guidance given 1.1-1.2Moz
Sibanye-Stillwater	949Koz		~79Koz	Est based on 50% during shutdown
Impala Platinum (Implats)	849Koz + 224Koz (NAP)		~107Koz	30-40% reduction May & June
Vale	250Koz		25Koz	~10% reduction in Q1 report
Northam	150Koz		~15Koz	Estimate based on 10% reduction
ARM (African Rainbow Minerals)	110Koz		~9Koz	Estimate based on shutdown
Total Production	7.0Moz	~6.3Moz	-742Koz	
Recycling and Other Sources	3.41Moz	~3.0Moz	-370Koz	Estimate 10-15% reduction
	10.4Moz	~9.3Moz	~ -1.1Moz	Over 1Moz reduction as of 1.5.20
Total Demand	11.5Moz	10.9Moz		
Structural Deficit	1.1Moz	~1.6Moz		TBC – demand forecasts need updating

Palladium Mining

Structural Deficit 1Moz in 2020 and beyond

EXTRACTING VALUE FROM PALLADIUM - JULY 2020

Eurasia – Senior Management Team



CHRISTIAN SCHAFFALITZKY

Executive Chairman and Managing Director

EurGeol, FIMMM, Pgeo, CEng. 40 years experience in mineral exploration. Founder of CSA international. Numerous discovery credits including Lisheen zinc deposit in Ireland. Also chairman at Kibo Mining Plc.

GARY FITZGERALD

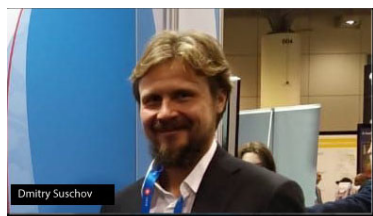
Non-Executive Director

30 years experience in investment management, prior director of Framlington Investment Management.

JAMES NIEUWENHUYS

Non-executive Director

James has held senior positions including Chief Operating Officer at Polyus Gold, Russias largest gold miner, and is currently Chief Executive Officer at South African Lesego Platinum Mining Limited. James has an engineering background and has also held senior positions at a number of EPC organisations.



DMITRY SUSCHOV

Non-Executive Director

Commodities trading veteran (primarily various grades of metallurgical and thermal coals) who has successfully built a major Pulverized Coal Injection (PCI) franchise throughout Asia, Europe and America with an annual turnover of up to \$100 million, thereby accumulating around 2.5% of the global PCI market share. He is also an investment banker with extensive experience in the Russian resources industry having previously worked with IG Capital, MDM Bank, PricewaterhouseCoopers and Ernst&Young as mining & metals leader in corporate finance for Russia and CIS.

Summary

From Eurasia Mining website

EXTRACTING VALUE FROM PALLADIUM - JULY 2020

Eurasia – Senior Management Team



IAIN RAWLINSON

Non-executive Director

Iain is an experienced board member and a corporate strategy consultant. He has a law degree from Cambridge University, is a qualified barrister, and is also an experienced corporate financier. Iain started his career in investment banking with Lazard and Robert Fleming and was one of the initial partners of Fleming Family & Partners (FF&P) where he led the listing of Highland Gold PLC in 2002. Iain's independent board appointments in the corporate sector include Lithic Metals and Energy PLC (2007 to 2009), Dana Petroleum PLC (2005 to 2010), The Monarch Group (2009 to 2014), and Parkmead Group PLC (2010 to 2020). Iain's board positions in charities include Tusk Trust (Trustee from 2002 and Chairman from 2005 to 2013). He is currently a Non-executive Director at the Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust (since 2017).

ALEXEI CHURAKOV

Strategic advisor to the board

Mr. Churakov is a former Goldman Sachs and Morgan Stanley senior investment banker specialized in the mining sector. He has a background in cross-border M&A transactions operating from Moscow, London and New York. Alexei brings his extensive experience in mining M&A as well as maintaining a hands on approach at operational level.

ALEXANDER SUSHCHEV

Strategic advisor to the board

Alexander is a metallurgist by background and a former Chief Executive Officer of SMCM (molybdenum and rhenium metals producer) as well as a former manager at Norilsk Nickel.

Summary

From Eurasia Mining website

EXTRACTING VALUE FROM PALLADIUM - JULY 2020

Eurasia – Share Capital

	TOTAL	Percentage
Ordinary shares	2,724,774,624	
Deferred shares	143,377,203	
Ordinary shares not in public hands	578,595,458	21.23%

Directors	555,217,013	20.37%
Hargreaves Lansdown (Nominees)	445,492,155	16.35%
Interactive Investors Services	345,371,603	12.68%
Queeld Ventures Limited	307,250,000	11.28%
Barclays DI (Nominees)	164,457,978	6.04%
HSDL(Nominees) Limited	141,996,497	5.21%
JIM Nominees LTD	136,632,866	5.01%

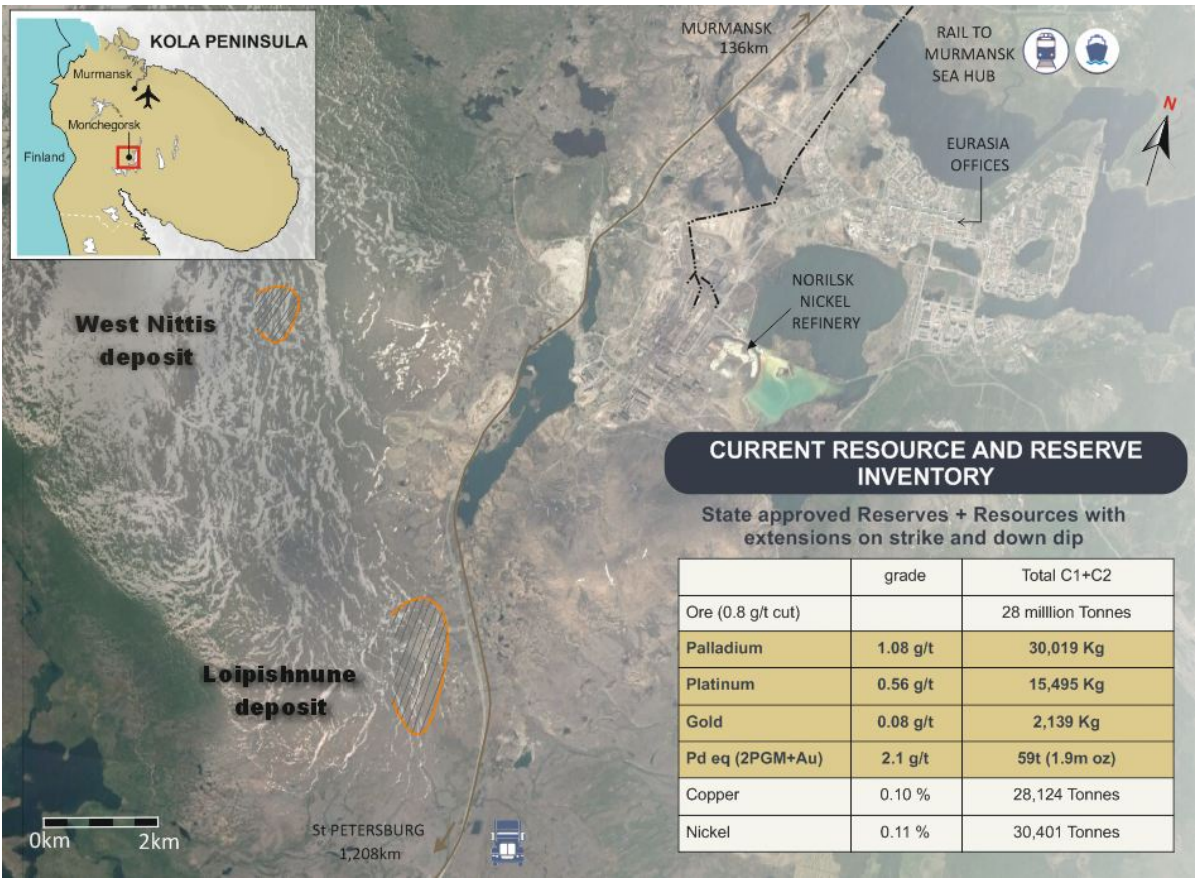
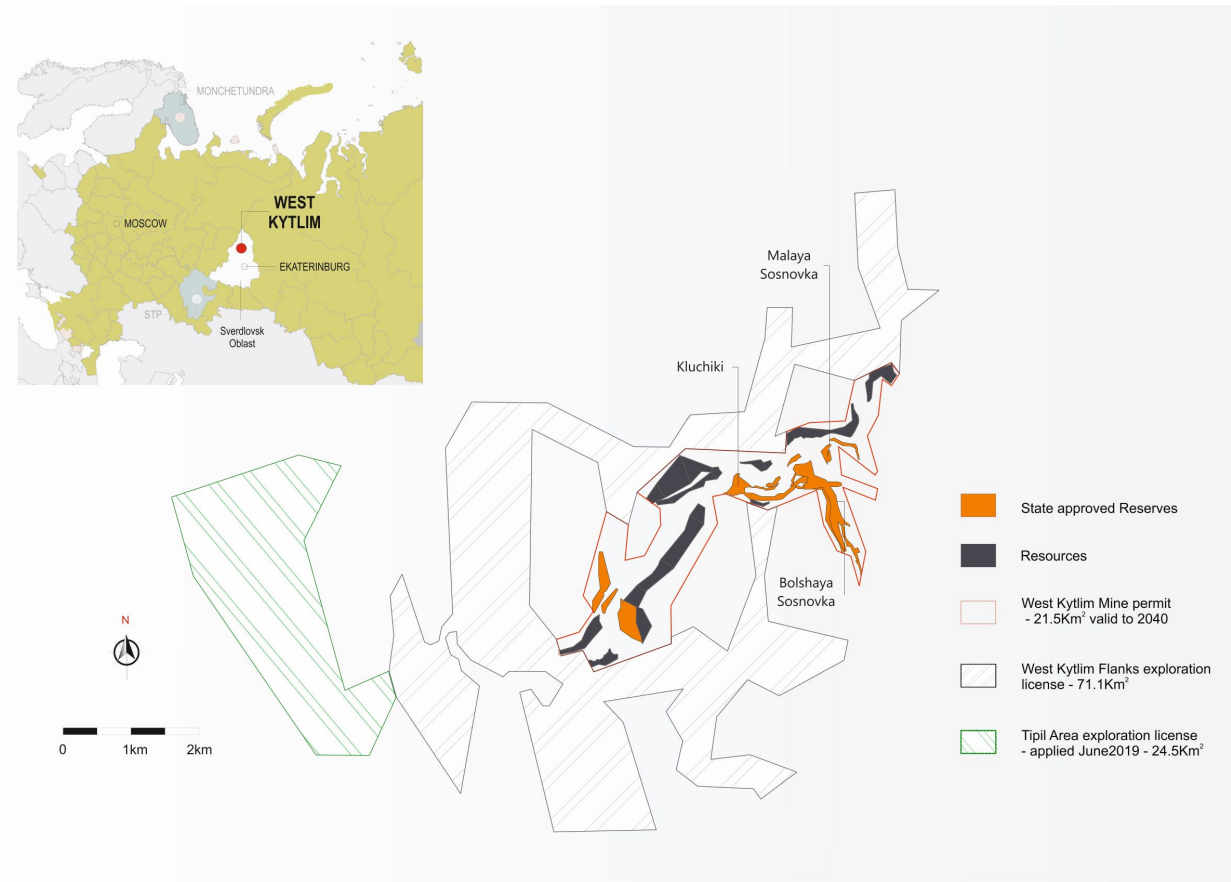
Directors have a lot of skin in the game

Skin in the game

From Eurasia Mining website

EXTRACTING VALUE FROM PALLADIUM - JULY 2020

MONCHETUNDRA & WEST KYTLIM – TWO STRATEGIC ASSETS IN RUSSIA



What do they have at Eurasia Mining

From Eurasia Mining website

EXTRACTING VALUE FROM PALLADIUM - JULY 2020

MONCHETUNDRA

LOCATION : Murmanskaya oblast (Russia)

ASSET : 1.9Moz PGM – Pd:Pt 2.36:1
awaiting final approval for licence extension
15Moz PGM will be new official reserve figure

OWNERSHIP: 80% via TGK subsidiary

CURRENT PLAN : EPCF Sinosteel \$150m backed 128Koz – 15yr LOM
becomes >100yr for 15Moz, not best use of
resource, makes sense to ramp up

SUGGESTED PLAN : Find funding to increase to 1000Koz (AR 2019 update)
18yr LOM for 15Moz – approx. \$1bn capex

(potential longterm for 40Moz into surrounding area)

WEST KYTLIM

LOCATION : Sverdlovskaya oblast (Russia)

ASSET : open pit soft rock PGM – 21.5km²
Flanks exploration licence – 71.1km²
Tipil exploration licence – 24.5km²

OWNERSHIP: 68%

CURRENT PLAN : already operational ~ 2Koz
new plant arrived Apr 2020, ramping up

SUGGESTED PLAN : aim for 64 Koz

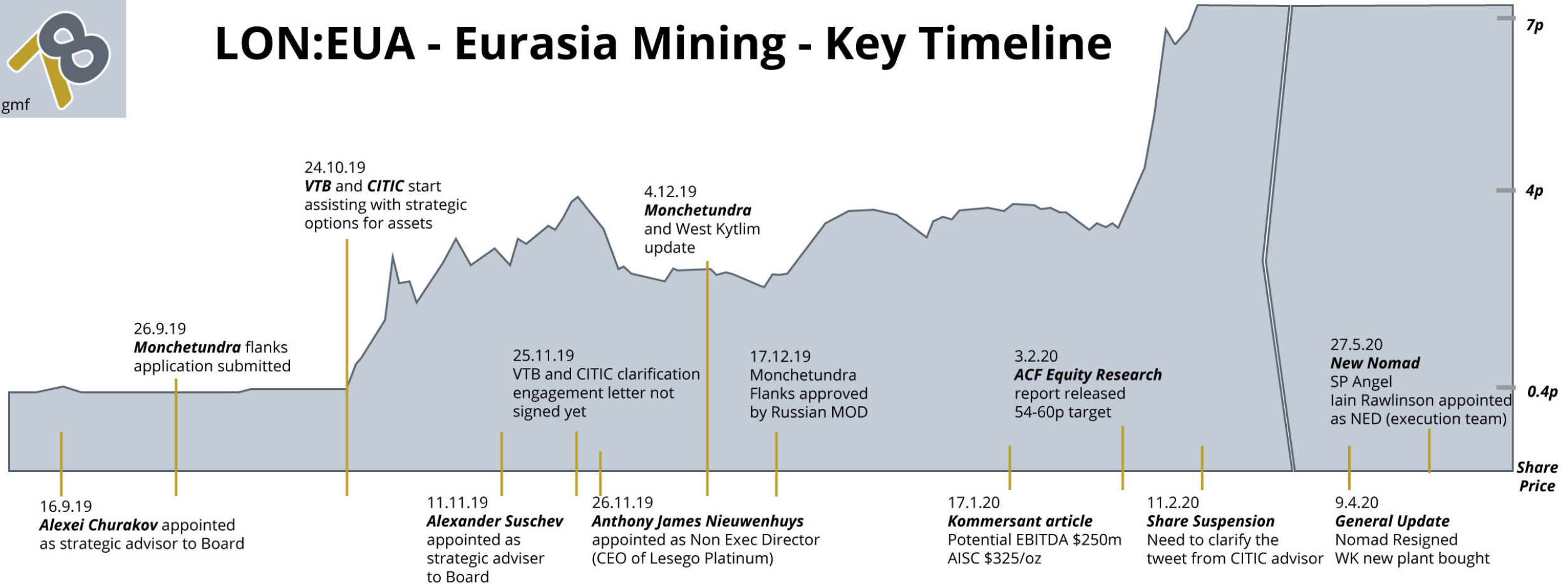
(further licences pending to extend LOM into adjacent areas)

EURASIA COULD HELP CLOSE THE 1100 KOZ STRUCTURAL DEFICIT ON PALLADIUM (~83%)

What do they have at Eurasia Mining



LON:EUA - Eurasia Mining - Key Timeline



Monchetundra Reserves (post flanks)

15Moz Palladium Equiv	\$2425/oz	in ground	\$36.3bn
229,000 tonnes Copper	\$5691/ton	in ground	\$1.3bn
298,000 tonnes Nickel	\$12788/ton	in ground	\$3.8bn

News still expected (as of 6.6.20)

Monchetundra flank application formal approval from SevZapNedra
Engagement letters with **CITIC** and **VTB**
Offers from interested bidders

The Story so far for Eurasia Mining

Deal	Date	Price	Reserves	AISC	Pd Price (at time)	Discount based on reserve profit over LOM
Implats – NAP Ontario, Canada	12.2019	\$708m	2.32Moz Pd	~\$800/oz	\$1900/oz	27.7% (708 / (2.32*1100))
Sibanye – Lonmin Bushveld, SA	2017 to 6.2019	£285m All Share Deal (\$350m approx.)	31.7Moz 4E PGM Pd:Pt 0.46:1 (Platinum Rich)	~\$900/oz	\$925/oz To \$1400 Deal took years	2.3% - 46.7% (370 / (31.7*25)) To (370 / *31.7*500)
Sibanye – Stillwater Montana, USA	12.2016	\$2200m	19.9Moz 2E PGM	~\$430/oz	\$750/oz	34.5% (2200 / (19.9*320))
Eurasia Mining Kola and Urals, Russia	2020	TBC	15Moz Pd Pd:Pt 2.36:1	\$325/oz	\$2000/oz	TBC avg 28.9%

Recent Deals in PGM sector

Mining EV/EBITDA 9.5	£/\$ 1.25								
Current Situation When fully producing, Monchetundra @ 4 tons, West Kytlim @ 1ton									
Pd Spot Price	\$/oz		1800	1900	2000	2100	2200	2500	3000
Market Value EV or MCAP	\$m		\$ 2,233	\$ 2,394	\$ 2,537	\$ 2,689	\$ 2,841	\$ 3,297	\$ 4,057
WK EBITDA			\$ 46	\$ 50	\$ 53	\$ 56	\$ 59	\$ 69	\$ 85
MT EBITDA	\$m		\$ 189	\$ 202	\$ 214	\$ 227	\$ 240	\$ 278	\$ 342
equivalent EUA Share Price			£ 0.60	£ 0.64	£ 0.68	£ 0.72	£ 0.76	£ 0.88	£ 1.10

Eurasia Mining current valuations

EBITDA analysis

EXTRACTING VALUE FROM PALLADIUM - JULY 2020

Free Cash Flow and NPV – MT - 1.9Moz

	Monchetundra								
	Koz	Pd	AISC	EBITDA (m)	Capex (m)	Taxes (m)	WACC	Free Cash Flow (m)	Value
2021	\$ 202,000.00		325	\$ 34	\$ 10	\$ 7	7%	\$ 17	\$ 16
2022	\$ 125,202,020.00		325	\$ 212	\$ 10	\$ 42	7%	\$ 160	\$ 139
2023	\$ 125,204,020.20		325	\$ 214	\$ 10	\$ 43	7%	\$ 162	\$ 132
2024	\$ 125,206,060.60		325	\$ 217	\$ 10	\$ 43	7%	\$ 164	\$ 125
2025	\$ 125,208,121.21		325	\$ 220	\$ 10	\$ 44	7%	\$ 166	\$ 118
2026	\$ 125,210,202.02		325	\$ 222	\$ 10	\$ 44	7%	\$ 168	\$ 112
2027	\$ 125,212,304.04		325	\$ 225	\$ 10	\$ 45	7%	\$ 170	\$ 106
2028	\$ 125,214,427.27		325	\$ 227	\$ 10	\$ 45	7%	\$ 172	\$ 100
2029	\$ 125,216,571.71		325	\$ 230	\$ 10	\$ 46	7%	\$ 174	\$ 95
2030	\$ 125,218,737.37		325	\$ 233	\$ 10	\$ 46	7%	\$ 176	\$ 90
2031	\$ 125,220,924.24		325	\$ 236	\$ 10	\$ 47	7%	\$ 179	\$ 85
2032	\$ 125,223,134.34		325	\$ 238	\$ 10	\$ 48	7%	\$ 181	\$ 80
2033	\$ 125,225,365.65		325	\$ 241	\$ 10	\$ 48	7%	\$ 183	\$ 76
2034	\$ 125,227,619.19		325	\$ 244	\$ 10	\$ 49	7%	\$ 185	\$ 72
2035	\$ 125,229,895.95		325	\$ 247	\$ 10	\$ 49	7%	\$ 188	\$ 68
2036	\$ 125,232,194.94		325	\$ 250	\$ 10	\$ 50	7%	\$ 190	\$ 64
2037	\$ 125,234,516.16		325	\$ 253	\$ 10	\$ 50	7%	\$ 192	\$ 61
2038	\$ 125,236,861.61		325	\$ 255	\$ 10	\$ 51	7%	\$ 195	\$ 58
Totals	2145			\$ 3,996.56	\$ 180.00	\$ 796.79		\$ 3,020	\$ 1,596

Based on existing Sinosteel EPCF – mining 125Koz by 2022

Generates FCF \$3bn over 18 years, NPV \$1.6bn

Current fair Share Price for MT asset - £0.34 (prior to flank approval)

(Assumed WACC 7% as little evidence to support smaller number, tax rate 20%)

Note – this valuation does not include the 13.1Moz pending approval. Clearly they need to build a bigger mine to extract the true value at Monchetundra.

Eurasia Mining current valuations (FCF+NPV)

Free Cash Flow and NPV – WK

	Monchetundra								
	Koz	Pd	AISC	EBITDA (m)	Capex (m)	Taxes (m)	WACC	Free Cash Flow (m)	Value
2021	\$ 202,000.00		325	\$ 34	\$ 10	\$ 7	7%	\$ 17	\$ 16
2022	\$ 125,202,020.00		325	\$ 212	\$ 10	\$ 42	7%	\$ 160	\$ 139
2023	\$ 125,204,020.20		325	\$ 214	\$ 10	\$ 43	7%	\$ 162	\$ 132
2024	\$ 125,206,060.60		325	\$ 217	\$ 10	\$ 43	7%	\$ 164	\$ 125
2025	\$ 125,208,121.21		325	\$ 220	\$ 10	\$ 44	7%	\$ 166	\$ 118
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2030	\$ 125,218,737.37		325	\$ 233	\$ 10	\$ 46	7%	\$ 176	\$ 90
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2037	\$ 125,234,516.16		325	\$ 253	\$ 10	\$ 50	7%	\$ 192	\$ 61
2038	\$ 125,236,861.61		325	\$ 255	\$ 10	\$ 51	7%	\$ 195	\$ 58
Totals	2145			\$ 3,996.56	\$ 180.00	\$ 796.79		\$ 3,020	\$ 1,596

Already operational

Generates FCF \$1.4bn over 18 years, NPV \$0.7bn

Current fair Share Price £0.12

(Assumed WACC 7% as little evidence to support smaller number, tax rate 20%)

**34p from MT + 12p from WK
underpins current target price of 46p**

Eurasia Mining current valuations (FCF+NPV)

Eurasia EBITDA analysis

EXTRACTING VALUE FROM PALLADIUM - JULY 2020

Why Russian PGM ?

South Africa has issues to overcome - with ESKOM power supply troubles and Covid-19 limiting the ability to work deep underground, it is to be expected they will look further afield to secure decent ounces of PGM. This is underpinned by Implats and Anglo American taking strategic positions in North America via NAP – Lac des Iles and Stillwater transactions in 2019 and 2016 respectively

Lack of New Projects

Arctic JV between Norilsk and Russia Platinum LLC fell apart 03.2020

Platinum Group Metals – Waterberg project postponed after Implats decided not to proceed

Eurasia Mining represents the largest, lowest cost, route to mining the PGM needed to close the deficit

In order to maximise the opportunity, they should strongly consider a revised plan to extract more Pd each year
They have now confirmed they would look at 1000Koz per year to keep LOM similar to Sinosteel plans

Investment Case

Mining EV/EBITDA 9.5	£/\$ 1.25								
Stretch Target Monchetundra producing 1000Koz a year using 15Moz approved reserves, West Kytlim 2 tons a year									
Pd Spot Price	\$/oz		1800	1900	2000	2100	2200	2500	3000
Market Value EV or MCAP	\$m		\$ 14,336	\$ 15,305	\$ 16,283	\$ 17,252	\$ 18,221	\$ 21,147	\$ 26,011
WK EBITDA	\$m		\$ 93	\$ 99	\$ 106	\$ 112	\$ 118	\$ 138	\$ 170
MT EBITDA	\$m		\$ 1,416	\$ 1,512	\$ 1,608	\$ 1,704	\$ 1,800	\$ 2,088	\$ 2,568
Equivalent EUA Share Price			£ 3.84	£ 4.09	£ 4.36	£ 4.62	£ 4.88	£ 5.66	£ 6.96

What happens with a bigger mine (EV/EBITDA)

Free Cash Flow and NPV – 15Moz

	Monchetundra								
	Koz	Pd	AISC	EBITDA (m)	Capex (m)	Taxes (m)	WACC	Free Cash Flow (m)	Value
2021	\$ 202,000.00		325	\$ 34	\$ 10	\$ 7	7%	\$ 17	\$ 16
2022	\$ 1252,020.00		325	\$ 212	\$ 10	\$ 42	7%	\$ 160	\$ 139
2023	\$ 2502,040.20		325	\$ 429	\$ 10	\$ 86	7%	\$ 333	\$ 272
2024	\$ 5002,060.60		325	\$ 868	\$ 10	\$ 173	7%	\$ 684	\$ 522
2025	\$ 7502,081.21		325	\$ 1,317	\$ 10	\$ 263	7%	\$ 1,044	\$ 744
2026	\$ 10002,102.02		325	\$ 1,777	\$ 10	\$ 355	7%	\$ 1,412	\$ 941
2027	\$ 10002,123.04		325	\$ 1,798	\$ 10	\$ 359	7%	\$ 1,429	\$ 890
2028	\$ 10002,144.27		325	\$ 1,819	\$ 10	\$ 364	7%	\$ 1,446	\$ 841
2029	\$ 10002,165.71		325	\$ 1,841	\$ 10	\$ 368	7%	\$ 1,463	\$ 796
2030	\$ 10002,187.37		325	\$ 1,862	\$ 10	\$ 372	7%	\$ 1,480	\$ 752
2031	\$ 10002,209.24		325	\$ 1,884	\$ 10	\$ 377	7%	\$ 1,498	\$ 711
2032	\$ 10002,231.34		325	\$ 1,906	\$ 10	\$ 381	7%	\$ 1,515	\$ 673
2033	\$ 10002,253.65		325	\$ 1,929	\$ 10	\$ 386	7%	\$ 1,533	\$ 636
2034	\$ 10002,276.19		325	\$ 1,951	\$ 10	\$ 390	7%	\$ 1,551	\$ 602
2035	\$ 10002,298.95		325	\$ 1,974	\$ 10	\$ 395	7%	\$ 1,569	\$ 569
2036	\$ 10002,321.94		325	\$ 1,997	\$ 10	\$ 399	7%	\$ 1,588	\$ 538
2037	\$ 10002,345.16		325	\$ 2,020	\$ 10	\$ 404	7%	\$ 1,606	\$ 509
2038	\$ 10002,368.61		325	\$ 2,044	\$ 10	\$ 409	7%	\$ 1,625	\$ 481
Totals	14645			\$ 27,661.62	\$ 180.00	\$ 5,529.80		\$ 21,952	\$ 10,631

Creating a larger plan for Monchetundra – mining 1000Koz by 2026 instead of 125Koz

Generates FCF \$21.9bn over 20 years, NPV \$10.6bn – Share Price £2.28 approx

(Assumed \$1bn to build larger facility at Monchetundra, WACC 7% as little evidence to support smaller number, tax rate 20%)

What happens with a bigger mine (FCF+NPV)

Steps since suspension 11th Feb 2020

1. Nomad Changed - SP Angel replaced WH Ireland

Net effect – neutral. Delay in appointment caused concern, but SP Angel largest Mining Nomad on AIM by far, so a good upgrade.

2. Non-Exec Director Iain Rawlinson appointed

Net effect – positive. Strong background in M&A, RNS 27.5.2020 announced his addition to the execution team, suggesting a move towards a deal for the assets.

3. West Kytlim – Tipil Area

Applied for in June 2019, exploration licence potentially granted as Rosnedra website updated to show ‘satisfied’, **confirmed in Annual Report**. Will make it easier to achieve 64Koz/yr production

List of AIM Mining NOMADs				
Rank	NOMAD	Total Mining Mcap Advised (£m)	Total Mining Clients	% Market share (Mcap)
1	SP Angel Corporate Finance LLP	1317.06	27	26.57
2	Beaumont Cornish Limited	832.9	14	16.80
3	Strand Hanson Limited	410.96	12	8.29
4	Numis Securities Limited	382.26	7	7.71
5	W.H. Ireland Limited	360.07	8	7.26
6	Grant Thornton UK LLP	345.37	6	6.97

Investment Case

July 2020 – H2 starts well

4. Annual Report 2019

Lots of information about future prospects, including the 1000Koz plan for Monchetundra, acknowledgement of existing NDA's relating to MT



5. UBS – Formal Sale Process

The gamechanger has arrived, one of world's largest M&A Banks with best contacts in the business for wealth management. Assume they will handle the admin side of dealmaking, filter out the tyre kickers and bring more options to the table.

Next Steps

Awaiting news on Monchetundra Flank mining licence

Resume trading now relationship clarified.

Special Situation funds to take positions – sharp increase in share price to reflect likelihood of a deal now.

Investment Case

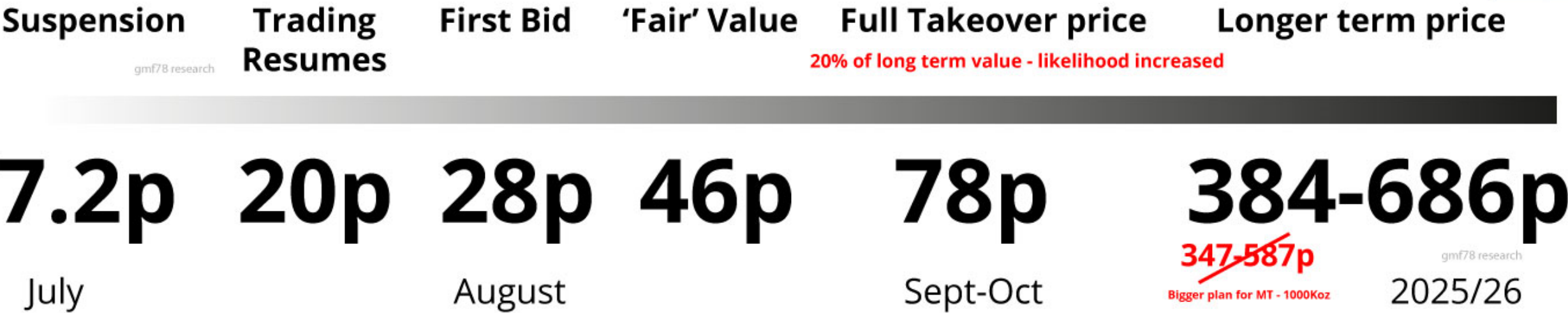
New Investors – key element

When trading does resume, would expect the following types of Fund to take a position :

HNWI	Special Situation Funds	Event Driven Global Merger Arbitrage
Wealthy Individuals recommended to buy now there is a Formal Sale Process	Hedge Funds	0-30 day funds, once a deal is announced they will take any spare shares and hold until it goes through, potential upside for them on a multi stage bidding war.
Commodity Traders – hedging Palladium		
UBS Clients – obvious now		

Investment Case

Eurasia Mining



Revised long term price targets due to increase in plans to 1000Koz per year at Monchetundra
Likelihood of attaining 78p full takeover greatly increased with UBS engaged

See next page for details

Eurasia Share Price Targets

Current Price	: 7.2p
Target Current Price	: 46p (based on NPV \$2.3bn and 80% owned MT, 68% owned WK)
Comparison to other sector deals	: 28.9% discount to reserve profit too high as mine not built yet at MT Believe 10-15% discount fairer - \$2.55bn - \$3.82bn. With 80% ownership at MT yields 56 – 84p - target 70p
Valuation based on current reserves	: 60p – 110p – target 85p (based on 15Moz and Pd @ \$1800-\$3000 range)
Longer term valuation	: with larger mine built at Monchetundra and West Kytlim expanded 384p – 686p (based on Pd \$1800-\$3000 range)

Massive uplift potential, UBS engaged, average target price 78p with potential for much more by 2025/6

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