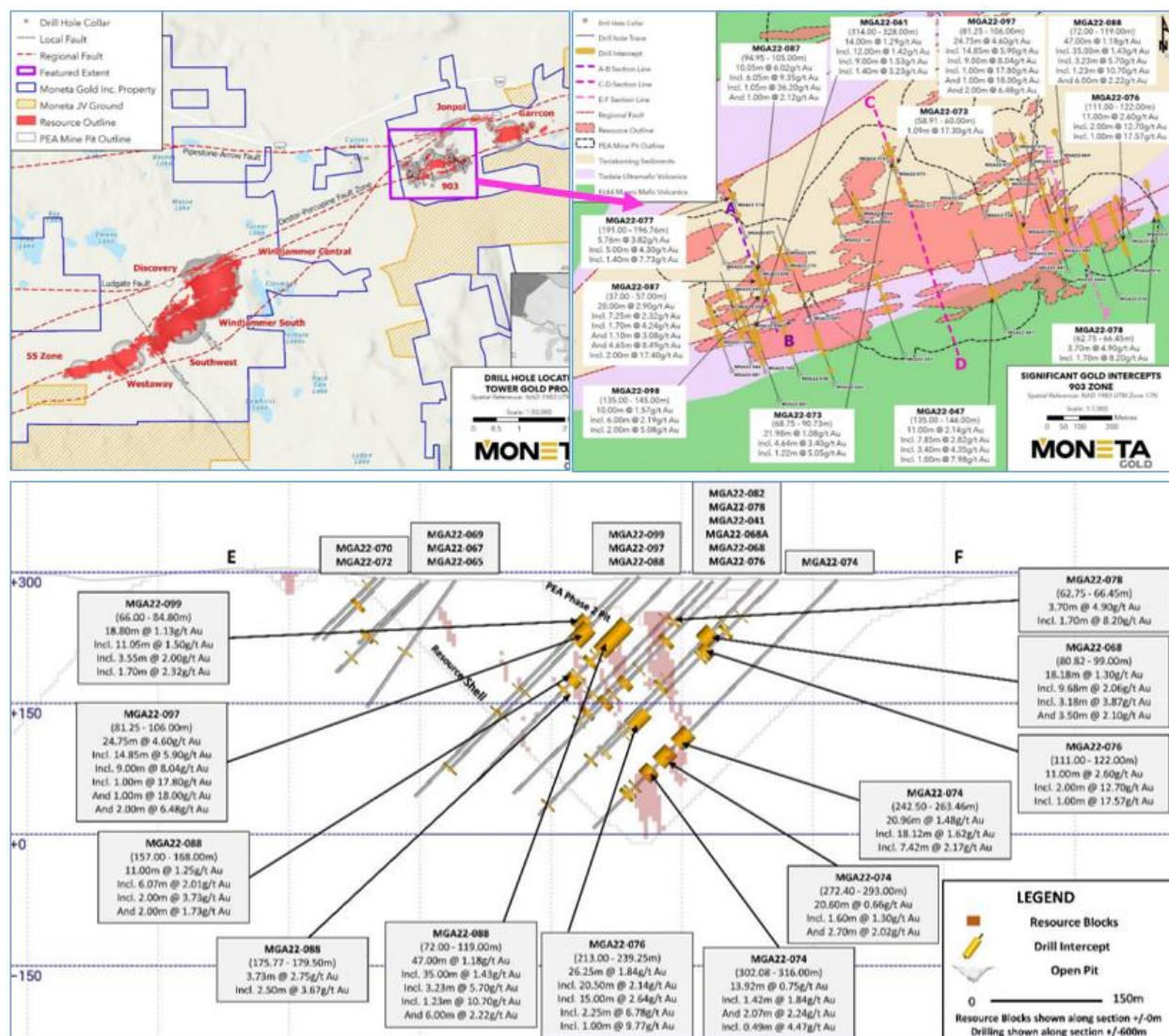


Project: Tower Gold Project
Country: Canada, Timmins

RISK RATING (unc): SPECULATIVE

Recall the 903 pit (1.2Moz @ 0.86g/t) is among the first to be mined in the PEA schedule via a higher-grade starter pit >1.2g/t at low 1.05:1 strip. Today's infill results simply reaffirm this—the average of the 33 pierce points (from 17 holes) highlighted is 13m @ 1.9g/t from <130m downhole, or **17m @ ~2g/t** within ~60m downhole. Stepping back, from the 'bulk' peers in Canada, Moneta is the only one with double-digit ounces (for torque), on infrastructure in Timmins with UG sweeteners that are wide and linear for good 'mineability'. That said, resources aren't reserves. Hence the CY23 focus on 'just' the 5Moz inventory is not only likely to grow toward the ~12Moz M&I&I, but also flip into reserves with the PFS next year. With the stock on US\$22/oz inventory (or 0.1xNAV) vs. >US\$100/oz peer reserve, we think this year's drilling should close this gap (before any regional exploration). As such, **we maintain our BUY rating and C\$4.60/sh PT based on 0.3xNAV_{5%-1850}**, adding only US\$5/oz for pitable resources outside of inventory plus cash/options. In our view the clear advantage of this project is the feed optionality (multiple pits + UGs), allowing for optimal strip, stockpile, and schedule to drive payback on manageable capex—which we think will evolve further as drilling progresses. Key catalysts remain more drilling and an updated MRE ahead of the 2024 PFS.

Figure 1. 903 Zone (A) plan views and (B) section view looking E showing today's drilling



Source: Moneta Gold

903 pit infill confirms shallow HG with 24.8m @ 4.6g/t; New VP Sustainability to lead permitting

Moneta reports results from 43 drill holes (10,057m) from last year's infill/step out program on the 903 Deposit, with highlights of **24.8m @ 4.6g/t** from 81m (incl. 14.9m @ 5.9g/t), **10.1m @ 6.0g/t** from 95m (incl. 6.1m @ 9.4g/t), **47m @ 1.2g/t** from 72m (incl. 3.2m @ 5.7g/t) and **20m @ 2.9g/t** from 37m downhole. The 190,000m infill and upgrade program is underway. Additionally, Mr. Dennis Wilson is appointed to VP Sustainability (30 years of experience in permitting, environmental & health / safety / community management) to advance environmental baseline and permitting.

Why we like Moneta Gold

- Timmins developer with 12.8Moz @ 1.0g/t and still growing
- Garrison acquisition lifts scale, provides capital-friendly schedule
- PEA 200-300koz pa, on infrastructure to drive margin on pits, improved by UG operations

Catalysts

- CY23: Results from 190,000m infill / exploration drilling + historical core sampling
- 1Q24: PFS start for an integrated project / EIS

Research

Brandon Gaspar (Toronto) M: +1 437 533 3142 bgaspar@sprott.com

Eleanor Magdzinski (Toronto) M: +1 705 669 7456 emagdzinski@sprott.com

Konstantinos Kormpis (Toronto) M: +1 778-957-3623 kkormpis@sprott.com

| | | | |
|-------------------------|--|---|----------------------------|
| Ticker: ME CN | Price / mkt cap: C\$1.4/sh, C\$144m | Project PNAV today: 0.10x | Asset: Tower Gold |
| Author: B Gaspar | Rec / xNAV PT: BUY, C\$4.6/sh | 1xNAV build start, FD: C\$14.02/sh | Country: Canada, ON |

| Commodity price | CY20A | CY21A | CY22E | CY23E | CY24E |
|-----------------|-------|-------|-------|-------|-------|
| Gold price | 1,770 | 1,794 | 1,793 | 1,911 | 1,873 |

SOTP project valuation*

| | C\$m | O/ship | NAVx | C\$/sh |
|---|--------------|--------|-------|-------------|
| Tower Gold proj @ 2025 build start | 1,433 | 100% | 0.30x | 4.04 |
| Cash 3Q22 | 14 | 100% | 1.00x | 0.14 |
| Cash from options | 7 | 100% | 1.00x | 0.07 |
| 5.9Moz resource ex inventory @ US\$5/oz | 38 | 100% | 1.00x | 0.35 |
| Asset NAV5% US\$1850/oz | 1,493 | | PT: | 4.60 |

*Diluted for options but not mine build Market P/NAV5% 2022 0.10x

Asset value: 1xNPV project @ build start (C\$m, ungeared)*

| Project NPV (C\$m)* | \$1750oz | \$1800oz | \$1850oz | \$1900oz | \$1950oz |
|-----------------------|----------|----------|--------------|----------|----------|
| 10.0% discount | 707 | 783 | 859 | 935 | 1,010 |
| 7.5% discount | 921 | 1,011 | 1,101 | 1,191 | 1,281 |
| 5.0% discount | 1,214 | 1,324 | 1,433 | 1,543 | 1,651 |
| Ungeared project IRR: | 0% | 0% | 0% | 0% | 0% |
| 0.25xNAV PT (C\$/sh)* | \$1750oz | \$1800oz | \$1850oz | \$1900oz | \$1950oz |
| 10.0% discount | 2.55 | 2.76 | 2.98 | 3.19 | 3.40 |
| 7.5% discount | 3.15 | 3.41 | 3.66 | 3.91 | 4.17 |
| 5.0% discount | 3.98 | 4.29 | 4.60 | 4.90 | 5.21 |

*Project level NPV, excl finance costs and central SGA, discounted to build start

| Share data | Basic | FD | FF FD |
|--------------------|-------|-------|-------|
| Basic in issue (m) | 102.7 | 106.5 | 152.3 |

Group valuation over time^

| | Jan-23 | Jan-24 | Jan-25 | Jan-26 | Jan-27 |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|
| Tower Gold Project NPV (C\$m) | 1,210.9 | 1,276.0 | 1,340.0 | 1,729.1 | 2,117.3 |
| G&A and finance costs (C\$m) | (160.9) | (141.7) | (135.6) | (141.0) | (120.1) |
| Net cash prior qtr (C\$m) | 4.4 | 9.1 | 297.6 | (18.6) | (244.1) |
| Cash from options (C\$m) | 7.4 | 7.4 | 7.4 | 7.4 | 7.4 |
| Resource ex reserve (C\$m) | 37.8 | 37.8 | 37.8 | 37.8 | 37.8 |
| NAV FF FD (C\$m) | 1,100 | 1,188 | 1,547 | 1,615 | 1,798 |
| Shares in issue (m) | 102.7 | 102.7 | 152.3 | 152.3 | 152.3 |
| 1xNAV5%/sh FF FD (C\$/sh) | 10.71 | 11.58 | 10.16 | 10.60 | 11.81 |

Equity ROI from spot (% pa) 96% 70%

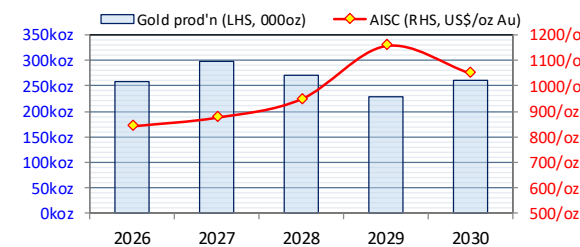
Geared company NAV diluted for mine build, net G&A and finance costs

| 4Q25 1xNAV FF FD (C\$/sh)^ | \$1750oz | \$1800oz | \$1850oz | \$1900oz | \$1950oz |
|----------------------------|----------|----------|--------------|----------|----------|
| 10.0% discount | 926 | 1,007 | 1,089 | 1,170 | 1,251 |
| 7.5% discount | 1,121 | 1,216 | 1,312 | 1,407 | 1,501 |
| 5.0% discount | 1,387 | 1,501 | 1,615 | 1,728 | 1,841 |
| Geared project IRR: | 0% | 0% | 0% | 0% | 0% |
| 4Q25 1xNAV FF FD (C\$/sh)^ | \$1750oz | \$1800oz | \$1850oz | \$1900oz | \$1950oz |
| 10.0% discount | 4.73 | 5.37 | 6.02 | 6.68 | 7.34 |
| 7.5% discount | 6.36 | 7.14 | 7.93 | 8.73 | 9.53 |
| 5.0% discount | 8.66 | 9.63 | 10.60 | 11.58 | 12.57 |

^Project NPV incl grp SG&A & fin. cost, +net cash; *diluted for mine build equity

| Production | 2026 | 2027 | 2028 | 2029 | 2030 |
|-------------------------|------|------|------|-------|-------|
| Gold production (000oz) | 259 | 298 | 270 | 230 | 261 |
| C1 cost (US\$/oz) | 715 | 759 | 827 | 1,013 | 923 |
| AISC cost (US\$/oz) | 842 | 876 | 949 | 1,157 | 1,050 |

AISC = C1 + ug sustaining capex, Y1 = CY26



Source: SCP estimates

| 3Q22 MRE Tower Gold | Au (koz) | Au (g/t) |
|---------------------|----------|----------|
| M&I | 4,460koz | 0.92g/t |
| Inferred | 8,292koz | 1.09g/t |

Global resource

| 3Q22 PEA Tower Gold | Au (koz) | Au (g/t) |
|---------------------|----------|----------|
|---------------------|----------|----------|

| | | |
|-----------------------------------|----------|---------|
| PEA OP inventory | 4,103koz | 0.81g/t |
| PEA UG inventory | 907koz | 3.42g/t |
| SCPe pitable outside inventory: | 5,852koz | |
| SCPe underground outside inventor | 899koz | |

Funding: uses

| | | Funding: sources |
|----------------------------|---------|---|
| Mine build capex | C\$517m | Cash 3Q22 C\$14m |
| SCPe G&A to 1st Au | C\$16m | DFS / Mine build equity (C\$m) C\$257m |
| SCPe pre-production expl'n | C\$31m | Build debt @ 60% of PP&E (C\$m) C\$310m |
| SCPe fin. costs + wkg cap | C\$30m | Total proceeds C\$581m |
| Total uses | C\$594m | Buffer -C\$13m |

Ratio analysis

| | CY20A | CY21A | CY22E | CY23E | CY24E |
|------------------------|-------|-------|-------|-------|-------|
| Average shares out (m) | 322.2 | 294.9 | 97.9 | 102.7 | 152.3 |
| EPS (C\$/sh) | - | - | - | - | - |
| CFPS (C\$/sh) | - | - | - | - | - |
| EV (C\$m) | 445.3 | 399.6 | 132.7 | 102.1 | 146.9 |
| FCF yield (%) | - | - | - | - | - |
| PER (x) | - | - | - | - | - |
| P/CF (x) | - | - | - | - | - |
| EV/EBITDA (x) | - | - | - | - | - |

Income statement

| | CY20A | CY21A | CY22E | CY23E | CY24E |
|---------------------|-------|-------|-------|-------|-------|
| Net revenue (C\$m) | - | - | - | - | - |
| COGS (C\$m) | 0.3 | - | - | - | - |
| Gross profit (C\$m) | (0.3) | - | - | - | - |
| D&A, attrib (C\$m) | - | - | - | - | - |
| Group G&A (C\$m) | 1.2 | 2.2 | 3.1 | 7.1 | 4.0 |
| Finance cost (C\$m) | - | - | (0.1) | (0.0) | 3.2 |
| Taxes (C\$m) | - | - | - | - | - |

Net income (C\$m)

| | (1.5) | (2.2) | (3.1) | (7.1) | (7.2) |
|--|-------|-------|-------|-------|-------|
|--|-------|-------|-------|-------|-------|

EBITDA (C\$m)

| | (4.6) | (13.5) | (19.8) | (47.4) | (5.2) |
|--|-------|--------|--------|--------|-------|
|--|-------|--------|--------|--------|-------|

Cash flow, attrib.

| | CY20A | CY21A | CY22E | CY23E | CY24E |
|-----------------------------|--------------|---------------|---------------|---------------|--------------|
| EBIT (C\$m) | (1.5) | (2.2) | (3.1) | (7.1) | (4.0) |
| Add back D&A (C\$m) | - | - | - | - | - |
| Less tax (C\$m) | - | - | (0.1) | (0.0) | 3.2 |
| Change in wkg cap (C\$m) | (1.7) | (0.2) | 1.4 | 0.8 | 0.0 |
| Add back other (C\$m) | (4.2) | (12.0) | (22.1) | (27.2) | (6.4) |
| Cash flow ops (C\$m) | (7.4) | (14.5) | (23.9) | (33.4) | (7.2) |
| PP&E - build + sust. (C\$m) | - | (0.6) | (0.3) | - | (225.0) |
| PP&E - expl'n (C\$m) | (0.0) | (1.5) | (0.1) | - | - |

Cash flow inv. (C\$m)

| | (0.0) | (2.1) | (0.4) | - | (225.0) |
|--|-------|-------|-------|---|---------|
|--|-------|-------|-------|---|---------|

Share issue (C\$m)

| | 6.1 | 23.4 | 15.4 | 50.0 | 256.8 |
|--|-----|------|------|------|-------|
|--|-----|------|------|------|-------|

Debt draw (repay) (C\$m)

| | - | - | - | - | 160.0 |
|--|---|---|---|---|-------|
|--|---|---|---|---|-------|

Cash flow fin. (C\$m)

| | 6.1 | 23.4 | 15.4 | 50.0 | 416.8 |
|--|-----|------|------|------|-------|
|--|-----|------|------|------|-------|

Net change in cash (C\$m)

| | (1.3) | 6.8 | (8.9) | 16.6 | 184.6 |
|--|-------|-----|-------|------|-------|
|--|-------|-----|-------|------|-------|

Balance sheet

| | CY20A | CY21A | CY22E | CY23E | CY24E |
|--------------------------------|------------|-------------|-------------|-------------|--------------|
| Cash (C\$m) | 5.9 | 13.3 | 4.4 | 41.7 | 226.3 |
| Acc rec., inv, prepaid (C\$m) | 0.2 | 0.4 | 1.6 | 1.6 | 1.6 |
| PP&E + other (C\$m) | 2.2 | 54.9 | 55.3 | 55.3 | 280.1 |
| Total assets (C\$m) | 8.2 | 68.6 | 61.3 | 98.6 | 508.0 |
| Debt (C\$m) | - | 0.1 | 0.1 | 0.1 | 159.9 |
| Accounts payable (C\$m) | 1.1 | 1.3 | 0.9 | 0.9 | 0.9 |
| Others (C\$m) | 0.3 | 5.6 | 6.0 | 6.0 | 6.0 |
| Total liabilities (C\$m) | 1.4 | 6.9 | 7.0 | 7.0 | 166.9 |
| Sh'hlds equity + wrnts (C\$m) | 64.8 | 132.9 | 144.2 | 195.9 | 453.9 |
| Retained earn'gs + rsvs (C\$m) | (58.0) | (71.1) | (89.9) | (104.3) | (112.7) |
| Liabilities + equity (C\$m) | 8.2 | 68.6 | 61.3 | 98.6 | 508.0 |

DISCLOSURES & DISCLAIMERS

This research report (as defined under IIROC Rule 3600, Part B) is issued and approved for distribution in Canada by Sprott Capital Partners LP ("SCP"), an investment dealer who is a member of the Investment Industry Regulatory Organization of Canada ("IIROC") and the Canadian Investor Protection Fund ("CIPF"). The general partner of SCP is Sprott Capital Partners GP Inc. and SCP is a wholly-owned subsidiary of Sprott Inc., which is a publicly listed company on the Toronto Stock Exchange under the symbol "SII". Sprott Asset Management LP ("SAM"), a registered investment manager to the Sprott Funds and is an affiliate of SCP. This research report is provided to retail clients and institutional investors for information purposes only. The opinions expressed in this report are the opinions of the author and readers should not assume they reflect the opinions or recommendations of SCP's research department. The information in this report is drawn from sources believed to be reliable but the accuracy or completeness of the information is not guaranteed, nor in providing it does SCP and/or affiliated companies or persons assume any responsibility or liability whatsoever. This report is not to be construed as an offer to sell or a solicitation of an offer to buy any securities. SCP accepts no liability whatsoever for any loss arising from any use or reliance on this research report or the information contained herein. Past performance is not a guarantee of future results, and no representation or warranty, expressed or implied, is made regarding future performance of any security mentioned in this research report. The price of the securities mentioned in this research report and the income they generate may fluctuate and/or be adversely affected by market factors or exchange rates, and investors may realize losses on investments in such securities, including the loss of investment principal. Furthermore, the securities discussed in this research report may not be liquid investments, may have a high level of volatility or may be subject to additional and special risks associated with securities and investments in emerging markets and/or foreign countries that may give rise to substantial risk and are not suitable for all investors. SCP may participate in an underwriting of, have a position in, or make a market in, the securities mentioned herein, including options, futures or other derivatives instruments thereon, and may, as a principal or agent, buy or sell such products.

DISSEMINATION OF RESEARCH: SCP's research is distributed electronically through email or available in hard copy upon request. Research is disseminated concurrently to a pre-determined list of clients provided by SCP's Institutional Sales Representative and retail Investment Advisors. Should you wish to no longer receive electronic communications from us, please contact unsubscribe@sprott.com and indicate in the subject line your full name and/or corporate entity name and that you wish to unsubscribe from receiving research.

RESEARCH ANALYST CERTIFICATION: Each Research Analyst and/or Associate who is involved in the preparation of this research report hereby certifies that:

- The views and recommendations expressed herein accurately reflect his/her personal views about any and all of the securities or issuers that are the subject matter of this research report;
- His/her compensation is not and will not be directly related to the specific recommendations or view expressed by the Research analyst in this research report;
- They have not affected a trade in a security of any class of the issuer within the 30-day period prior to the publication of this research report;
- They have not distributed or discussed this Research Report to/with the issuer, investment banking group or any other third party except for the sole purpose of verifying factual information; and
- They are unaware of any other potential conflicts of interest.

UK RESIDENTS: Sprott Partners UK Limited ("Sprott") is an appointed representative of PillarFour Securities LLP which is authorized and regulated by the Financial Conduct Authority. This document has been approved under section 21(1) of the FMSA 2000 by PillarFour Securities LLP ("PillarFour") for communication only to eligible counterparties and professional clients as those terms are defined by the rules of the Financial Conduct Authority. Its contents are not directed at UK retail clients. PillarFour does not provide investment services to retail clients. PillarFour publishes this document as non-independent research which is a marketing communication under the Conduct of Business rules. It has not been prepared in accordance with the regulatory rules relating to independent research, nor is it subject to the prohibition on dealing ahead of the dissemination of investment research. It does not constitute a personal recommendation and does not constitute an offer or a solicitation to buy or sell any security. Sprott and PillarFour consider this note to be an acceptable minor non-monetary benefit as defined by the FCA which may be received without charge. This is because the content is either considered to be commissioned by Sprott's clients as part of their advisory services to them or is short term market commentary. Neither Sprott nor PillarFour nor any of its directors, officers, employees or agents shall have any liability, howsoever arising, for any error or incompleteness of fact or opinion in it or lack of care in its preparation or publication; provided that this shall not exclude liability to the extent that this is impermissible under the law relating to financial services. All statements and opinions are made as of the date on the face of this document and are not held out as applicable thereafter. This document is intended for distribution only in those jurisdictions where PillarFour is permitted to distribute its research.

IMPORTANT DISCLOSURES FOR U.S. PERSONS: This research report was prepared by Sprott Capital Partners LP ("SCP"), a company authorized to engage in securities activities in Canada. SCP is not a registered broker/dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution to "major U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"). Any U.S. recipient of this research report wishing to effect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only through Sprott Global Resource Investments Ltd. ("SGRIL"), a broker dealer in the United States registered with the Securities Exchange Commission ("SEC"), the Financial Industry Authority ("FINRA"), and a member of the Securities Investor Protection Corporation ("SIPC"). Under no circumstances should any recipient of this research report effect any transaction to buy or sell securities or related financial instruments through SCP.

SGRIL accepts responsibility for the contents of this research report, subject to the terms set out below, to the extent that it is delivered to a U.S. person other than a major U.S. institutional investor. The analyst whose name appears in this research report is not licensed, registered, or qualified as a research analyst with FINRA and may not be an associated person of SGRIL and, therefore, may not be subject to applicable restrictions under FINRA Rule 2241 regarding communications by a research analyst with a subject company, public appearances by the research analyst, and trading securities held by a research analyst account. To make further inquiries related to this report, United States residents should contact their SGRIL representative.

ANALYST CERTIFICATION / REGULATION AC: The analyst and associate certify that the views expressed in this research report accurately reflect their personal views about the subject securities or issuers. In addition, the analyst and associate certify that no part of their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

SPROTT CAPITAL PARTNERS EXPLANATION OF RECOMMENDATIONS: Should SCP issue research with recommendations, the research rating guidelines will be based on the following recommendations:

BUY: The stocks total returns are expected to be materially better than the overall market with higher return expectations needed for more risky securities markets

NEUTRAL: The stock's total returns are expected to be in line with the overall market

SELL: The stocks total returns are expected to be materially lower than the overall market

TENDER: The analyst recommends tendering shares to a formal tender offering

UNDER REVIEW: The stock will be placed under review when there is a significant material event with further information pending; and/or when the research analyst determines it is necessary to await adequate information that could potentially lead to a re-evaluation of the rating, target price or forecast; and/or when coverage of a particular security is transferred from one analyst to another to give the new analyst time to reconfirm the rating, target price or forecast.

NOT RATED ((N/R): The stock is not currently rated

| Research Disclosure | | Response |
|---------------------|--|----------|
| 1 | SCP and its affiliates collectively beneficially owns 1% or more of any class of the issuer's equity securities ¹ | NO |
| 2 | The analyst or any associate of the analyst responsible for the report or recommendation or any individual directly involved in the preparation of the report holds or is short any of the issuer's securities directly or through derivatives | NO |
| 3 | An SCP partner, director, officer or analyst involved in the preparation of a report on the issuer, has during the preceding 12 months provided services to the issuer for remuneration other than normal course investment advisory or trading execution services | NO |
| 4 | SCP has provided investment banking services for the issuer during the 12 months preceding the date of issuance of the research report or recommendation | YES |
| 5 | Name of any director, officer, employee or agent of SCP who is an officer, director or employee of the issuer, or who serves in an advisory capacity to the issuer | NO |
| 6 | SCP is making a market in an equity or equity related security of the issuer | NO |
| 7 | The analyst preparing this report received compensation based upon SCP's investment banking revenue for the issuer | NO |
| 8 | The analyst has conducted a site visit and has viewed a major facility or operation of the issuer | YES |
| 9 | The analyst has been reimbursed for travel expenses for a site visit by the issuer | NO |

Sprott Capital Partners Equity Research Ratings:

| Summary of Recommendations as of March 2023 | |
|---|----|
| BUY: | 52 |
| HOLD: | 1 |
| SELL: | 0 |
| UNDER REVIEW: | 1 |
| TENDER: | 1 |
| NOT RATED: | 0 |
| TOTAL | 55 |

¹ As at the end of the month immediately preceding the date of issuance of the research report or the end of the second most recent month if the issue date is less than 10 calendar days after the end of the most recent month