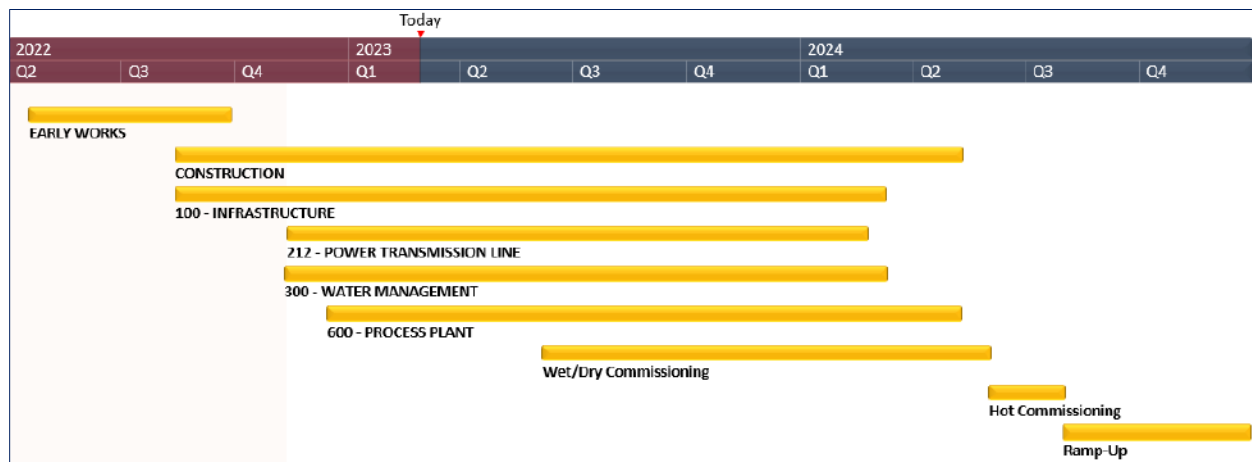


Ticker: GMIN CN **PF cash:** US\$304m **Project:** Tocantinzinho
Market Cap: C\$421m **Price:** C\$0.94/sh **Country:** Brazil
REC. (unc): BUY **TARGET (unc):** C\$2.00/sh **RISK RATING (unc):** HIGH

The investor site visit at Tocantinzinho last week showed progress made in the first five months of the build, with infrastructure advancements across the camp, mining equipment on site up and running in the main pit, access roads throughout the site, and powerline construction progressing well and on schedule. Progress to date is all the more impressive given it occurred largely in the current Dec-May wet season, with pace set to accelerate this month with hard-rock pit and cement batch plant completing to provide aggregate and speed civils, and again in May at the end of the wet season. More broadly, the project management process that underlies our investment thesis here is evidenced by G Mining's contractor management systems, where proprietary metrics go all the way down to daily updates, learned over multiple Latam builds. So what? The investment thesis is for the stock to trend from its current 0.32xNAV_{5%-1850} toward 1xNAV. With the majority of one asset peers suffering through inverted Lassonde curves, it is the skill of the team which mitigates this risk in our view, leaving us of the view that a mid-2024 first gold pour is not just a material catalyst, but achievable. Although it is perhaps too early to call the timing / budget, 'so far so good' would be the key take home of today's project update. As such, **we maintain our BUY rating and C\$2.00/sh PT** based on one-year forward 0.6xNAV_{5%-1850}. Cheap valuation / skilled / funded / manager-owned and a desire to build a multi-mine group leaves this a conviction name for us. We don't update our sources and uses, which sees US\$498m sources against US\$450m uses for US\$17m buffer post-taxes (closer to US\$50m once post-production taxes recouped). Looking forward, construction updates will be supplemented by results from the 10km drill program but 2H24 first gold remains the key catalyst.

Figure 1: Project timelines to 2H24 commercial production, with targeted mid-2024 first pour



Source: G Mining Ventures

Inaugural site visit leaves project on track for mid 2024 first gold and 2H24 production

G Min hosted a site trip last week, and released an update today, with management highlighting construction progress at the Tocantinzinho, Para State, Brazil. Detailed engineering now at 62% (vs 43% in November 2022) ahead of 3Q23 targeted completion. Site work sees the camp near completion with permanent camp area infrastructure schedule to complete in coming 3M, concrete has been poured on ancillary areas (construction office, bulk fuel storage), while the mill-site civils are underway ahead of concrete in due course. Major equipment such as haul trucks are on site, and mining preparations for the main pits are well advanced. Regional infrastructure sees the powerline construction underway by the government with 34 towers now in place from 483 total required.

Site progress

Construction progress at site is at an early-stage, but is ramping up quickly with total workers set to increase again in the coming four weeks once key pieces of auxiliary infrastructure are complete. With only saprolite roads on site, the current Dec-May wet season has delayed construction slightly but not in a critical manner, with the schedule set to catch up as rainfall abates in May into the dry season. The aggregate plant on site is expected to be completed in two weeks (cement batch plant and hard-rock quarry), and will be used to (i) improve road conditions and offset the impacts caused by heavy rains by manufacturing concrete on site. Haul trucks arrived on site in August and September and were commissioned in October. The excavation and preparation for the grinding circuit – one of the most critical items in our view – is on track. The focus for the next 3M is to complete the permanent camp, progress earthworks and concrete especially for the grinding circuit, complete mass excavation of the mine area, complete/initiate work on the warehouse, truck shop, fuel bay and prepare the TSF construction for the dry season.

Figure 2: (A) Kitchen, (B) Camp and (C) open pit



Source: SCP

Ramp up activities: An access road on site is already in place, helping accelerate the process. The rapid pace of construction is evidenced by the 811 trucks moving on site during 4Q22 and saprolite access roads built across the site. The main dorms of the camp, water treatment and sewage plants are nearing completion. The kitchen on site is built with a capacity to feed 1,200 people in total (4 shifts x 300 people/shift). There are currently approximately 600 workers on site, a number which will increase once all the auxiliary infrastructure are completed within the next 3 months.

Tailings Storage Facility: G Mining hired TEC3, a Brazilian geotech firm as engineer of record, plus Newfields, a Denver based company, to peer review designs. Newfields has substantial experience in similar environments, including as the geotechnical engineering firm for Merian in Suriname, and is now

the geotechnical peer reviewer for Franco-Nevada. GMIN and Brazauro (GMIN Brazil team) will execute the construction of the tailings facilities.

Pre-production mining: Fresh rock (intrusive, 91% recovery) represents 94% of the mill feed, with the thin saprolite layer (lower recovery at 71%) and tailings covering for the remaining 6%. Preparation and stripping are well underway as can be seen from Figure 2B, with the first blast planned for mid-March, bringing the team on site one step closer to the fresh rock ore material. Historically, local artisanal miners have exploited the saprolite layer in the area but haven't materially depleted fresh rock. GMIN has not conducted work in the old artisanal workings area and will initiate the first tests once the assay lab is completed. Open-pit mining of the pre-production starter pit has been initiated, with waste material to be used for the construction of the tailings dam (planned for May) and other generic construction purposes.

Power generation and transmission line: construction of the powerline is a focus given the 198km connection required. Worth noting that the company has signed a 3-year contract for hydro power at attractive rates. GMIN has already completed all detailed engineering for the powerline construction, and procurement is well advanced with 79% of conductor cables already delivered on site, 47% of tower structures delivered, 30% at the inspection phase and the rest 27% in the fabrication stage, with the material arriving even earlier than scheduled, speaking to the proactivity of the management team that offsets the remoteness of the site. On the construction schedule, land clearing, foundations and towers' are complete by 38%, 17% and 7%, respectively. The contractor has already mobilized 190 workers and 40 pieces of equipment, and the completion of the construction remains on track by end of 1Q24. In the meantime, gensets will be used for power generation on site.

Figure 4: Transmission line erection



Source: G Mining Ventures

Supply Chain management: The engineering team interacts on a daily basis with the supply chain team (G Mining and Brazauro) who is responsible for the purchase of equipment and material required for construction. GMIN prioritizes national bids from Brazil, considering the total delivering cost including freight to site to obtain the lowest total cost. Overall, the established process allows for greater control over the procurement budget and delivery schedule.

Why we like G Mining

- Vanilla open pit gold mine with scarcity value given 150-190koz pa production
- Chance to buy into well-supported first-ever build-team going owner with G Mining
- ~US\$1bn NAV_{5%-1850} or ~C\$3.50/sh once in production
- Construction experience in S America, and in high-rainfall locations
- Well-funded with US\$420m pro-forma cash and US\$115m undrawn debt/finance

Catalysts

- 1H23: Completion detailed engineering
- 2H24: First production

Research

Brock Salier (London) M: +44 7400 666 913 bsalier@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: GMIN CN		Price/ MC: C\$0.94/sh, C\$421m		Project PNAV today: 0.32x		Asset: TZ	
Author: B Salier & E. Magdzi Rec / 0.6xNAV PT:		BUY, C\$2/sh		1xNAV_{3Q24} FF FD: C\$3.10/sh		Country: Brazil	
Commodity price		CY21A	CY22E	CY23E	CY24E	CY25E	
Gold price		1,788	1,760	1,911	1,873	1,850	
SOTP project valuation*							
		US\$m	O/ship	NAVx	C\$/sh		
Asset NPV@ 1Q23 build		1,033	100%	1.00x	2.72		
Cash (3Q22)		383	100%	1.00x	1.01		
Debt (3Q22)		(0)	100%	1.00x	(0.00)		
Cash from options		5	100%	1.00x	0.01		
Resources ex inventory @ US\$50/oz		6	100%	1.00x	0.01		
G&A / fin / stream costs		(298)	100%	1.00x	(0.79)		
Asset NAV5% US\$1850/oz		1,128			2.98		
*Shares diluted for options mine build				Market P/NAV5% today	0.32x		
Company NAV: (US\$m, ungeared)*							
Company NAV (C\$m)		\$1650oz	\$1750oz	\$1850oz	\$1950oz	\$2050oz	
Discount rate: 9%		760	841	923	1,005	1,087	
Discount rate: 7%		837	927	1,017	1,108	1,198	
Discount rate: 5%		928	1,028	1,128	1,228	1,328	
Ungeared project IRR:		26%	28%	31%	33%	36%	
Company NAV (C\$/sh)		\$1650oz	\$1750oz	\$1850oz	\$1950oz	\$2050oz	
Discount rate: 9%		2.00	2.22	2.43	2.65	2.87	
Discount rate: 7%		2.21	2.45	2.68	2.92	3.16	
Discount rate: 5%		2.45	2.71	2.98	3.24	3.50	
*Project NPV, ex fin. costs and cent G&A, discounted to build start							
Group NAV over time^		Mar-23	Mar-24	Mar-25	Mar-26	Mar-27	
TZ NPV net aq'n pmt (US\$m)		1,033.1	1,309.3	1,433.6	1,429.1	1,308.4	
G&A and fin. costs (US\$m)		(304.0)	(312.5)	(306.8)	(279.7)	(245.0)	
Net cash prior qtr (US\$m)		382.9	271.7	25.6	16.8	74.0	
Cash from options (US\$m)		4.9	4.9	4.9	4.9	4.9	
Resource ex rsrv (US\$m)		5.5	5.5	5.5	5.5	5.5	
NAV FF FD (US\$m)		1,122	1,279	1,163	1,177	1,148	
Shares in issue (m)		454	454	454	454	454	
1xNAV5%/sh FF FD (C\$/sh)*		2.96	3.37	3.07	3.10	3.03	
0.6x NAV PT: C\$2.00							
Gearred NAV and PT, diluted for build, net G&A and fin. costs^							
NAV at first gold (C\$m)		\$1650oz	\$1750oz	\$1850oz	\$1950oz	\$2050oz	
Discount rate: 9%		751	832	914	995	1,076	
Discount rate: 7%		830	920	1,010	1,099	1,189	
Discount rate: 5%		923	1,023	1,122	1,222	1,322	
Gearred project IRR:		25%	28%	31%	33%	35%	
Price target (C\$/sh)*		\$1650oz	\$1750oz	\$1850oz	\$1950oz	\$2050oz	
Discount rate: 9%		1.45	1.60	1.75	1.85	2.00	
Discount rate: 7%		1.55	1.70	1.85	2.00	2.15	
Discount rate: 5%		1.70	1.85	2.00	2.20	2.35	
^Project NPV incl grp SG&A & fin. cost, +net cash; *diluted for build equity							
Production		JunQ25	JunQ26	JunQ27	JunQ28	JunQ29	
Gold production (000oz)		93	203	161	205	232	
AISC cost (US\$/oz)		358	565	710	560	494	
Y1 = 12M to Jun 30, 2025							
Source: SCP estimates							
Resource / reserve (1Q22)		Tonnes	Grade	Ounces			
Resource		50Mt	1.35g/t	2152koz			
Reserve		49Mt	1.30g/t	2042koz			
Project: USES				Funding: SOURCES			
Royalty buyback:		US\$5m		Cash	US\$133m		
Early works capex:		US\$21m		Stream:	US\$250m		
Capex net tax & early wk		US\$406m		Build equity:	US\$0m		
Fin. cost, G&A, expl'n, wc:		US\$18m		Senior Debt:	US\$75m		
TOTAL USES: US\$450m		post taxes		Equipment fin.:	US\$40m		
Buffer before tax recov.:		US\$48m	US\$17m	TOTAL SOURCES: US\$498m			
Capital structure		Basic	FD for Options	FD for build			
Pro Forma Shares (m)		447.5	454.1	454			
Ratio analysis (CY to Dec)		CY21A	CY22	CY23	CY24	CY25	
Average shares out (m)		174.8	336.1	447.5	447.5	447.5	
EPS (US\$/sh)		-	-	-	0.09	0.16	
CFPS (US\$/sh)		-	-	-	-	0.06	
EV (US\$m)		106.8	(5.9)	329.1	413.9	386.0	
FCF yield (%)		-	-	-	-	7%	
PER (x)		-	-	-	10.8x	5.8x	
EV/EBITDA (x)		-	-	-	5.8x	2.7x	
Income statement (CY to Dec)		CY21A	CY22	CY23	CY24	CY25	
Net revenue (US\$m)		-	-	-	86.3	273.3	
COGS (US\$m)		-	-	-	2.6	100.6	
Gross profit (US\$m)		-	-	-	83.7	172.7	
D&A, attrib (US\$m)		0.0	0.1	0.1	12.8	39.5	
G&A + sh based costs (US		3.5	4.2	3.5	3.9	5.1	
Expln + fin. cost (US\$m)		(1.6)	(2.2)	3.6	16.5	35.0	
Taxes (US\$m)		-	-	-	11.5	20.9	
Net income (US\$m)		(1.9)	(2.2)	(7.2)	39.0	72.1	
EBITDA (US\$m)		(1.9)	(1.6)	(3.9)	71.4	140.5	
Cash flow, attrib.		CY21A	CY22	CY23	CY24	CY25	
Add D&A / share bsd (US\$		0.9	1.4	1.2	13.9	40.6	
Adjust fin. cost (US\$m)		-	-	-	-	-	
Change in wkg cap (US\$m)		2.3	2.0	-	16.6	18.9	
Other non-cash (US\$m)		(5.9)	(6.5)	-	(33.3)	(37.8)	
Cash flow ops (US\$m)		(4.5)	(5.2)	(5.9)	36.3	93.8	
PP&E - build + sust. (US\$		0.1	60.5	210.0	113.9	66.0	
PP&E - expl'n (US\$m)		3.3	18.3	14.3	7.2	-	
Cash flow inv. (US\$m)		(3.4)	(78.9)	(224.3)	(121.1)	(66.0)	
Share issue (US\$m)		84.5	128.5	-	-	-	
Debt draw (repay) (US\$m)		(0.0)	15.6	50.0	23.5	(0.6)	
Cash flow fin. (US\$m)		84.5	144.1	50.0	23.5	(0.6)	
Net change in cash (US\$		76.6	60.0	(180.2)	(61.3)	27.3	
Balance sheet		CY21A	CY22	CY23	CY24	CY25	
Cash (US\$m)		57.5	353.9	173.6	112.3	139.6	
Acc rec., inv, prepaid (US\$		0.4	3.4	3.4	9.4	38.7	
PP&E + other (US\$m)		62.4	169.1	379.0	480.1	506.6	
Total assets (US\$m)		120	526	556	602	685	
Debt (US\$m)		-	32.0	82.0	105.5	104.9	
Accounts payable (US\$m)		2.6	11.0	11.0	0.4	10.8	
Stream liab / oth (US\$m)		0.1	1.8	1.8	1.8	1.8	
Total liabilities (US\$m)		2.6	44.8	94.8	107.7	117.6	
Issued capital (US\$m)		120.2	250.1	251.2	252.3	253.5	
Retained earnings (US\$m)		(2.6)	(15.3)	(22.5)	16.5	88.6	
Liabilities + equity (US\$m)		120	280	324	377	460	

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	YES
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	NO
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	NO
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