AltynGold

Initiation – A golden opportunity

1 October 2025

Price
810p

TICKER
ALTN

Market Cap
£221m

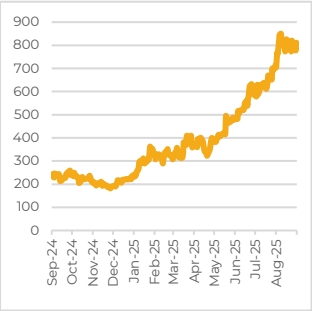
Net debt (30 June 2025)
US$34.0m

Free Float
34%

3mo Av. Daily Volume
58k

Index
FTSE standard

Share Price Performance



Source: Bloomberg

AltynGold is a gold miner in Kazakhstan where a recent 50% hike in processing capacity and the rising gold price are transforming the company's financial performance. The company has a longer-term production target of 100Koz, 80% up on the newly stablished run rate.

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Gold miner in Kazakhstan with rapidly growing production

AltynGold is a gold miner in Kazakhstan where a recent 50% hike in processing capacity at its Sekisovskoye mine coupled with leverage to the rising gold price are transforming the company's financial outlook. Despite an exceptional share price performance, the valuation remains low on all measures suggesting very substantial upside remains. AltynGold has a large resource base with more than enough potential to reach its longer-term production target of 100Koz, 80% up on the newly established run rate. AltynGold's vision is to become a mid-tier producer of scale.

AtlynGold has 100% interests in the producing Sekisovskoye mine and the adjacent Teren Sai exploration project in Kazakhstan. Following commissioning of an expansion in processing capacity at Sekisovskoye, the company is targeting gold production of 50Koz in 2025, 34% up YoY en route to annual production of 56Koz.

The increase in production coupled with leverage to the rising gold price should see revenue almost double to over US$180m by 2026 from 2024, on our forecasts, driving a trebling in net profit to US$77m. We expect an even stronger uplift in net cash generation, and the company could be in a net cash position by this year-end, putting it in a strong position to accelerate growth.

AltynGold has a resource base with nominal remaining Proved and Probable gold Reserves of 5.05Moz and Resources totalling 7.96Moz, including 2.83Moz of Inferred Resource. Even after reaching annual gold production of 56Koz pa, the reserve live will still be over 60 years at Sekisovskoye and 90 years in total, demonstrating the potential to accelerate growth; the company has a longer-term production target of 100Koz.

We demonstrate very substantial upside remains despite the share price more than trebling over the last year. On a multiples basis, AltynGold would trade at a third of the peer group on P/E and at a c40% discount on EV/EBITDA for 2025. The market is valuing the company at just US$65/oz on EV/Reserves, by far the lowest of peers. Recent transactions based take-out valuations are typically on multiples of AltynGold's forward rating. While a DCF valuation with a cut-off in 2030 and no growth computes to 1,084p/share, a third higher than the current share price.

The Chairman and two of the Executive Directors of AltynGold are members of the Assaubayev family who hold a 65.5% controlling interest in the company, and under whose stewardship it has thrived to the benefit of all shareholders.

Despite the stellar share price performance, we believe there is significant further upside, as demonstrated across a range of valuation approaches. We believe this upside is likely to be recognised as the financial impact of AltynGold's processing expansion and leverage to rising gold prices becomes more evident in the company's results, starting with the trebling in earnings YoY for 1H25.

At a Glance (Yr. to Dec)	Gold sold (oz)	Revenue (US$m)	Net profit (US$m)	P/E[1] (X)	EV/ EBITDA[1] (x)	Leverage (x)
FY23A	32,765	64.4	11.3	3.3	4.1	2.4
FY24A	38,708	96.5	26.4	2.0	2.0	1.0
FY25E	53,314	175.9	75.5	4.0	2.5	n/a
FY26E	55,799	184.1	77.2	3.9	1.7	n/a
FY27E	55,799	184.1	78.1	3.8	1.0	n/a

Source: AltynGold, Bloomberg, CAG Research. 1) Uses annual averages for historic share prices.

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Investment thesis

AltynGold is a gold miner with assets in Kazakhstan where a recent 50% hike in processing capacity at its Sekisovskoye mine coupled with leverage to the rising gold price are transforming the company's financial performance. Despite the share price more than trebling over the last year, we believe there is more to come as valuations whether based on multiples to peers, market valuation of Reserves and Resources, deal based valuations, or a simple DCF calculation all suggest very substantial upside. AltynGold has a large, low cost resource base with a very long reserve life indicative that the company has more than enough potential in its existing asset base to reach its longer-term production target of 100Koz, 80% up on the newly established run rate.

AtlynGold is a UK listed gold mining company with two assets in north-east Kazakhstan – the producing Sekisovskoye mine and the adjacent Teren Sai exploration asset. The company has just completed a major expansion of processing capacity at Sekisovskoye, lifting production capacity by c50% to 56Koz of gold pa. The ramp up in production coupled with leverage to the rising gold price are transforming the company's financial performance.

Based on a flat US$3,300/oz gold price, we forecast a near doubling in revenue to over US$180m by 2026 from 2024, driving a trebling in net profit to US$77m. We expect an even stronger uplift in net cash generation. Net debt peaked in 2023 and is now falling very rapidly – we forecast the company to be in a net cash position by the end of this year (Figure 1) putting it in a strong position to accelerate growth from its large established resource base. At the current gold price of over US$3,800/oz we forecast net profit approaching US$100m pa from 2026 with free cash flow generation running at over US$100m pa, notwithstanding the higher rates of Mineral Extraction Tax (MET) due to come into force from 2026 (see Kazakh regulatory structure and fiscal terms).

Figure 1: Financial highlights

Highlight	Unit	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue	US$m	64.4	96.5	175.9	184.1	184.1
Gross profit	US$m	23.3	49.1	106.2	106.0	105.8
Gross margin	%	36%	51%	60%	58%	57%
Net profit	US$m	11.3	26.4	75.5	77.2	78.1
EPS	USc	41.5	96.7	276.3	282.6	285.7
Adjusted EBITDA	US$m	22.3	50.9	110.8	113.0	113.0
Operating cash flow[1]	US$m	23.4	51.6	110.9	113.1	113.1
Net cash flow	US$m	14.7	29.4	105.4	101.6	97.5
Net cash investment	US$m	(40.9)	(21.5)	(32.0)	(15.7)	(14.7)
Net (cash)/debt[2]	US$m	53.0	49.7	(20.1)	(104.5)	(187.0)
Leverage	x	2.4	1.0	n/a	n/a	n/a

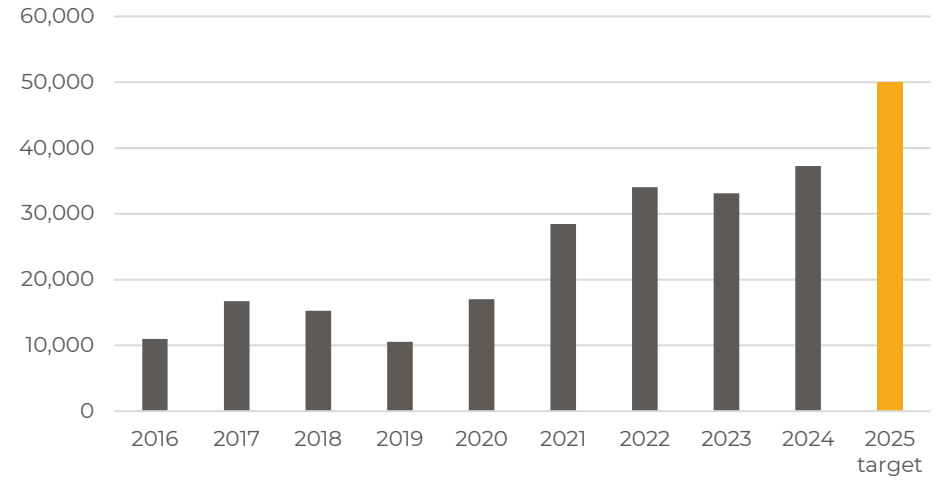
Source: AltynGold, CAG Research. 1) Before working capital. 2) AltynGold has no lease finance.

AltynGold has substantial nominal remaining Proved and Probable gold Reserves of 5.05Moz with Resources totalling 7.96Moz, including 2.83Moz of Inferred Resource. The average gold reserves grades are an attractive 3.53g/te at Sekisovskoye and 2.74g/te at Teren Sai.

Post ramp up to the new production capacity of 56Koz, the reserve life at Sekisovskoye will still be over 60 years, which, together with the undeveloped Reserves at Teren Sai, demonstrates the potential for further growth in production from the company's existing resource base and the company has a longer-term target to raise production to 100Koz.

Aidar Assaubayev has been CEO of AltynGold since 2012. Mr Assaubayev's father, Kanat is Chairman and Sanzhar, Aidar's brother, is also an Executive Director on the Board. The Assaubayev family hold a controlling interest of 65.5%. The business has prospered under the Assaubayevs resulting in a favourable performance for all shareholders (Figure 2).

Figure 2: Gold poured (oz)

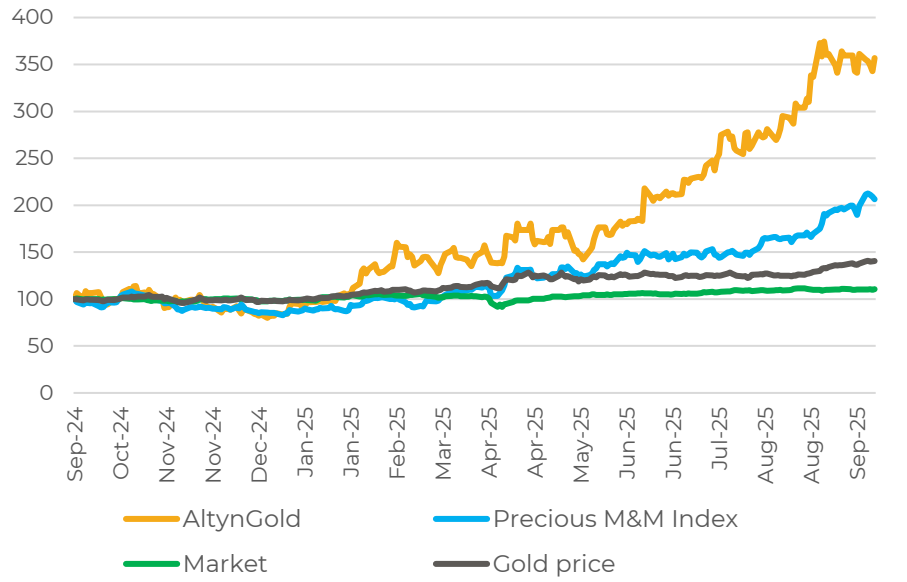


Source: AltynGold, CAG Research.

AltynGold's strategy is two-pronged, consisting of the further development of the Sekisovskoye mine and progressing the Teren Sai project into production (see Business). The company has a longer-term gold production target of 100Koz pa from its existing reserves base. In addition, AltynGold continues to evaluate complementary resource positions in which it can leverage its established expertise and relationships, consistent with its longer-term vision of becoming a mid-tier producer of scale.

Over the last year, AltynGold has been a stellar performer (Figure 3) but we believe there is more to come.

Figure 3: Share price vs indices vs gold price, -1yr rebased



Source: Bloomberg, CAG Research.

The transformation in the company's financial performance flows directly through into valuation metrics, particularly on EV based measures, given the rapid debt paydown, and free cash flow yield (Figure 4).

Figure 4: Valuation metrics[1]

Measure	Unit	FY23A	FY24A	FY25E	FY26E	FY27E
EV/EBITDA	X	4.1	2.0	2.5	1.7	1.0
FCF yield	%	-78.1%	5.8%	23.4%	28.2%	27.6%
P/E	X	3.3	2.0	3.9	3.9	3.8
Price to book	X	0.5	0.6	1.9	1.3	1.0

Source: Bloomberg, AltynGold, CAG Research. 1) Uses annual averages for historic share prices.

We approach valuation in four ways. First, by comparison with a relevant peer group on a multiples basis, second by reference to the implied market valuation of Reserves and Resources, third by reference to recent gold M&A transactions, and fourth, by way of a very simple DCF valuation, all of which suggest AltynGold should continue to trade significantly higher.

On a multiples basis to peers, AltynGold is set to see the second largest YoY fall in P/E and EV/EBITDA multiples to 3.9x and 3.0x respectively in 2025. That would put the company on a third of the peer group P/E rating and at a c40% discount on EV/EBITDA (Figure 5 and Figure 6).

Figure 5: Multiples comparison – P/E (X)

Company	2024[1]	2025[1,2]	YoY Delta
AltynGold	**11.2**	**3.9**	**-65%**
Thor Explorations	6.5	3.3	-49%
Orezone Gold	13.0	4.6	-65%
Steppe Gold	5.2	4.7	-9%
Serabi Gold	9.0	5.2	-43%
Galiano Gold	65.5	8.7	-87%
Caledonia Mining	27.6	12.1	-56%
Kingsgate Consolidated	(33.3)	17.2	n/a
Jaguar Mining	(263.3)	34.2	n/a
Robex Resources	(44.3)	(23.6)	n/a
Average exc AltynGold[3]	**21.1**	**11.3**	**-47%**

Source: Bloomberg, companies, CAG Research. 1) Share prices at 26/9/25. 2) Bloomberg consensus except AltynGold. 2) Average excludes negative values.

Figure 6: Multiples comparison – EV/EBITDA (X)

Company	2024[1]	2025[1,2]	YoY Delta
AltynGold	**6.5**	**3.0**	**-54%**
Galiano Gold	6.2	2.4	-61%
Thor Explorations	4.0	2.5	-38%
Orezone Gold	5.3	2.9	-45%
Serabi Gold	6.3	3.7	-41%
Steppe Gold	4.5	4.8	5%
Caledonia Mining	9.9	4.9	-50%
Jaguar Mining	4.7	6.3	36%
Robex Resources	9.2	13.7	49%
Kingsgate Consolidated	(63.5)	n/a	n/a
Average exc AltynGold[3]	**6.3**	**5.2**	**-18%**

Source: Bloomberg, companies, CAG Research. 1) Market cap at 26/9/25 and last reported net (cash)/debt position. 2) Bloomberg consensus except AltynGold. 3) Average excludes negative values.

On the basis of EV/gold Reserves, AltynGold has by far the lowest valuation of peers, in part because of its very long reserve life, which is better thought of as an opportunity to accelerate production growth (Figure 7).

Figure 7: Market valuation[1] of Reserves and Resources

	EV/gold Reserves (US$/oz)	EV/gold Resource (US$/oz)	Reserve life (years)
AltynGold	**65**	**64**	**135**
Galiano Gold	216	121	18
Orezone	259	138	20
Kingsgate	399	159	42
Jaguar Mining	379	175	12
Steppe Gold	269	208	22
Robex Resources	575	218	21
Thor Explorations	1,038	440	6
Serabi Gold	1,387	581	4
Caledonia Mining	1,182	1,012	7
Average exc AltynGold	**634**	**339**	**17**

Source: Bloomberg, companies, CAG Research. 1) Market cap at 26/9/25 and last reported net (cash)/debt position.

The gold mining space has seen a considerable number of transactions recently. Relevant transactions which have closed since 2024 demonstrate that take out P/E and EV/EBITDA ratings are typically multiples of the forward rating on AltynGold as are take out valuations for gold Reserves (Figure 8). It is also notable that the agreed US$1.2bn ZiJin acquisition of Raygorodok Gold is for assets in Kazakhstan at a 50% premium to AltynGold's forward P/E and six times its EV/Reserves valuation.

Figure 8: Gold M&A transactions and take out valuations

Acquirer	Target	Date completed	P/E (X)	EV/EBITDA (X)	EV/Reserves (US$/oz)
ZiJin	Raygorodok Gold	Ongoing	5.9	n/a	371
Equinox Gold	Calibre Mining	17/06/25	58.5	12.0	533
CIG/Nioko	Hummingbird Res	17/04/25	(1.2)	4.5	60
Greatland Gold	Telfer mine	04/12/24	n/a	3.7	283
AngloGold Ashanti	Centamin	22/11/24	27.4	6.1	314
Westgold Resources	Karora Res	01/08/24	123.0	8.1	599
Alamos Gold	Argonaut Gold	12/07/24	8.5	7.0	106
Vault Minerals	Silver Lake Res	19/06/24	37.7	6.0	715
Saturn Resources	Shanta Gold	10/05/24	(85.8)	9.3	430

Source: Bloomberg, companies, CAG Research.

Besides multiples based valuations, market valuation of Reserves and Resources, and deal based valuations, we have also generated a very simple discounted cash flow (DCF) valuation for AltynGold which assumes free cash flow generation remains steady from the full run-rate achieved in 2026 through 2030. Discounting the unlevered free cash flow at a 7% discount rate, which is at the top end of the weighted average cost of capital for companies listed on the Kazakh Stock Exchange, and deducting the 1H25 period-end net debt position, yields an equity value of £296m or 1,084p/share, a third higher than the current share price.

Were AltynGold to trade at 1,084p/share, its Reserves would still only be valued at US$86/oz, and still easily the lowest valuation of the peer group (Figure 7).

In summary, despite having been a stellar performer over the last year, AltynGold should have significant further upside as demonstrated by comparative multiples, the comparative market valuation of Reserves and Resources, recent gold M&A take out values, or a very simple DCF based calculation excluding any future growth and a cut-off in 2030.

We believe this upside is likely to be recognised as the financial impact of AltynGold's processing expansion and leverage to rising gold prices becomes more evident in the company's results, already being demonstrated in the 1H25 performance, and as it improves its communication with the market.

Purpose, opportunity, and strategy

The purpose of AltynGold is to develop a diversified portfolio of natural resources in Kazakhstan sustainably and efficiently, driving long term value creation. The company's operations are currently centred on its producing Sekisovskoye gold mine and adjacent Teren Sai exploration asset with an intention to leverage its established expertise and relationships to build out a portfolio of privileged assets. AltynGold's vision is to become a leading mid-tier producer of scale, operating low-cost, high value assets that are recognised for efficient and responsible development, spanning exploration to production.

Kazakhstan is blessed with abundant natural resources including top five global resource positions across multiple mineral resources including silver, chrome, lead, molybdenum, manganese, uranium and zinc. The country also holds large reserves of copper and is a significant producer of oil, gas, and coal.

With respect to gold, Kazakh production totalled 130te in 2024 making the country the seventh largest global producer of gold, according to the US Geological Survey, while the country ranked tenth largest by reserves at c2,300te.

Mining is a key sector of the Kazakh economy accounting for some 13% of Gross Domestic Product and is also a key source of employment. Further development of Kazakhstan's mineral wealth is strongly supported by the government. While the institutional framework is complex and bureaucratic (see Kazakh regulatory structure and fiscal terms) the broad thrust is for modernisation of the system and improved transparency. There is no restriction on the repatriation of dividends.

Kazakhstan's wealth of natural resources together with the main shareholder's deep relationships in Kazakhstan (see Structure, management, and shareholders) and management's successful history of growing production in the country create the opportunity for profitable growth offered by AltynGold.

Gold has recently touched all-time highs and is now trading towards US$3,900/oz. Many factors likely account for current pricing, but we believe it is primarily associated with demand for gold as a financial asset, particularly the growth in buying by central banks. Mined gold production is broadly stable, and any supply side reaction would likely take time. However, this does represent an opportunity for AltynGold given its large undeveloped, low-cost gold resource base. Most of the factors supporting demand for gold as a financial asset look likely to remain positive (see Gold market).

AltynGold's strategy is two-pronged, consisting of the further development of the Sekisovskoye mine and progressing the Teren Sai project into production (see Business). Following completion of a major processing expansion to 1Mte pa at the end of 2024, gold production capacity at Sekisovskoye has been increased to a run rate of at least 50Koz pa for 2025, rising to 56Koz pa from 2026 and the company has a longer term target of 100Koz pa from its existing reserves base. In addition, AltynGold continues to evaluate complementary resource positions in which it can leverage its established expertise and relationships, consistent with its longer term vision of becoming a mid-tier producer of scale (Figure 9).

Figure 9: AltynGold strategy

Source: AltynGold, CAG Research.

Business

AltynGold has two gold mining assets in north-eastern Kazakhstan. These are the producing Sekisovskoye mine where a recent processing upgrade has raised gold production capacity by c50% to c56Koz of gold pa and the Teren Sai exploration project which is expected progress to production in 2026/27. Nominal remaining total Proven and Probable gold Reserves are a substantial 5.05Moz with a forward reserve life of over 60 years at Sekisovskoye and 90 years in total, indicating the large remaining growth potential in the company's existing assets.

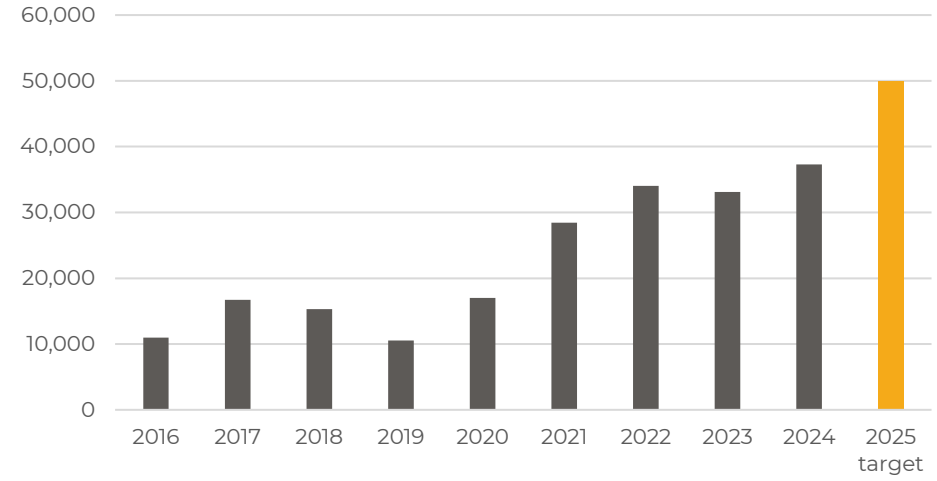
AltynGold's business currently comprises 100% interests in each of the producing Sekisovskoye gold mine and the adjacent Teren Sai gold exploration project. Both assets are located in north-east Kazakhstan, close to the border with Russia (Figure 10), approximately 40km from Ust-Kamenogorsk, the regional capital of East Kazakhstan. At the end of 2024, AltynGold had 530 employees, and the company is a major employer in the area with 55% of its employees coming from the Glubokoy district in which Sekisovskoye and Teren Sai are located.

Figure 10: Mining locations

Source: AltynGold, CAG Research. 1) Sekisovskoye; 2) Teren-Sai.

Following the acquisition of the mining rights to Sekisovskoye by Hambledon Mining, an antecedent company (see Structure, management, and shareholders), gold production restarted in 2008 initially on an open cast basis transitioning fully to underground mining from 2016, since when gold production has more than trebled under the guidance of the existing management (Figure 11).

Figure 11: Gold poured (oz)



Source: AltynGold, CAG Research.

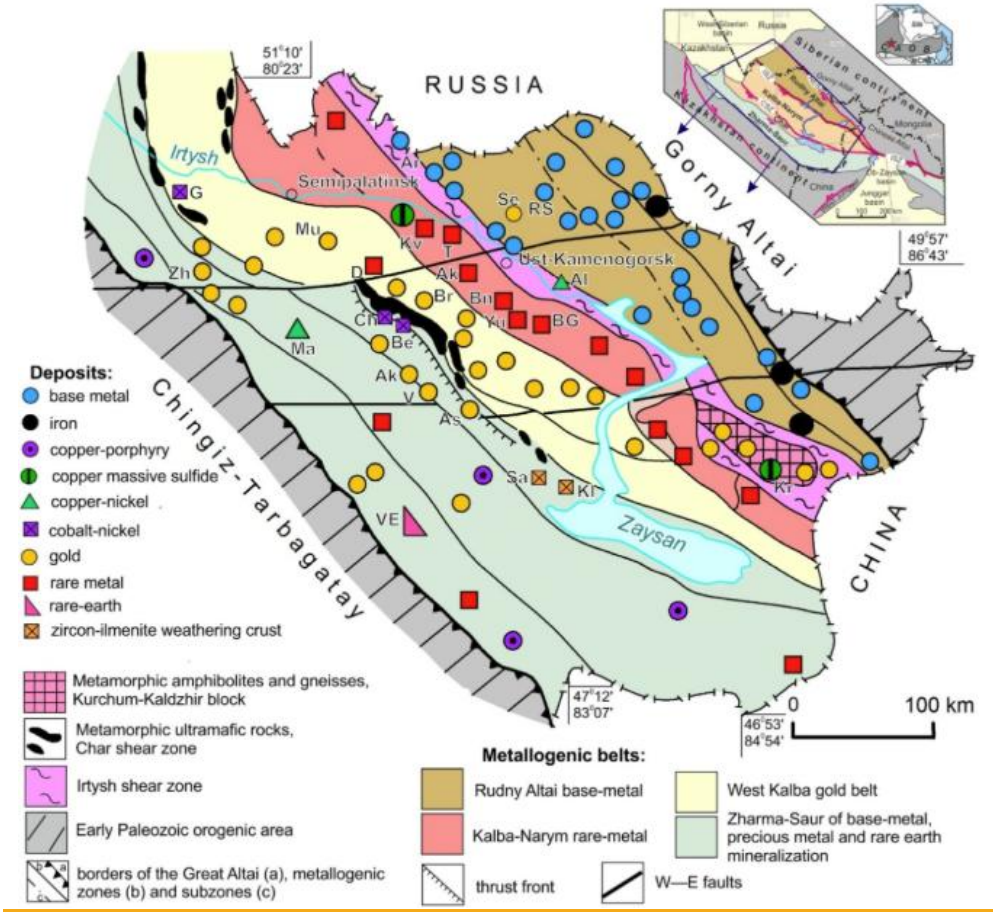
AltynGold completed a major expansion of processing capacity at Sekisovskoye at the end of 2024, raising annual gold production capacity to c56Koz pa at a steady run rate.

According to the latest Competent Persons Report (CPR) dating from 2019, Sekisovskoye has Measured and Indicated Gold Resources of 3.85Moz and a total gold resource base of 6.68Moz, including Inferred Resources. Proved and Probable Reserves stood at 3.80Moz, since when the company has produced 0.20Moz of gold. At the current 56Koz production capacity, Sekisovskoye has a gold reserves life of over 60 years, confirming the potential for a substantial step-up in production (see Reserves and Resources).

The initial Teren Sai Subsoil Use Contract was awarded in 2016 and a maiden CPR also dating from 2019 covering just Area #2 of the overall exploration area, estimated Measured and Indicated gold Resources at 1.48Moz. Proved and Probable Gold Reserves were estimated at 1.45Moz (see Reserves and Resources).

Sekisovskoye and Teren Sai are located in a complex geological setting that has been subject to much alteration and metamorphism. The gold is found in a number of pipe-like breccia (rocks composed of large angular broken fragments of rock cemented together by a fine-grained matrix) that have intruded into the Rudny Altai poly-metallic belt, which is part of the larger Central Asian Orogenic Belt (Figure 12).

Figure 12: Rudny Altai poly-metallic belt



Source: MDPI, CAG Research.

Ten breccias have been mapped in and around the Sekisovskoye mine of which seven fall within the mine licence boundary. Mineralisation includes free gold and gold sulphides. Gold is embedded in the cement of the breccia formed when high pressure, hot fluid broke up the rock, creating the breccia. The breccia are cut by non-gold containing igneous dykes formed by magma that are typically planar and dip steeply to the northeast.

Based on historical exploration at the Teren Sai Project, AltynGold has identified three target areas within the licenced exploration area. Up to 2019, AltynGold focused exploration activity on plot #2, which contains two breccia bodies. AltynGold is currently exploring other prospectivity within the licensed area.

The climate of the East Kazakhstan is continental with temperatures reaching extreme maximums and minimums of over 40°C to below -55°C, respectively. The summer months occur between May and September and are typically warm to hot with temperatures that are typically between 12°C to 29°C. Winters are cold and temperatures typically vary between -4°C to -19°C. Snow is common during winter but is relatively light, reaching up to 40cm.

Annual precipitation is approximately 275mm per year. Rainfall occurs all year round, but the rainy seasons occur between May to August and October to December.

Sekisovskoye and Teren Sai are located in an area of steppe vegetation, generally consisting of flat grasslands to gently sloping hills of the Altai mountains with good road access and grid power supply.

Sekisovskoye mine

The Sekisovskoye ore deposit was discovered in 1833 and was subject to small-scale surface mining over a number of periods prior to its acquisition in 1988 by Hambledon Mining.

The Sekisovskoye mine is held under subsurface use agreement #555. The expiry date of the initial agreement was in October 2020, but the license was extended to 17 July 2029 following signature of addendum #8 to the agreement in 2020, after official approval of the revised work programme. Given the large remaining potential at the mine, we would expect management to agree further licence extensions with the Ministry for Investment and Construction (see Kazakh regulatory structure and fiscal terms).

Hambledon Mining completed construction of a processing plant at Sekisovskoye in 2007 when surface mining operations restarted.

In 2022, AltynGold announced a US$64m investment with a view to increasing mining output and ore processing capacity at Sekisovskoye from 592Kte pa to 1Mte pa, consistent with gold production capacity of c56Koz pa.

Developing increased mining capacity included further deepening of the mine together with upgrades and additions to AltynGold's owned fleet of mining vehicles.

Process capacity investment included construction of a new crushing and grading complex, the installation of an additional mill for the first stage of grinding, and the installation of three additional Carbon-in-Pulp tanks. In addition, key equipment upgrades were undertaken in the cyanide preparation area, reconstruction of the desorption unit with the installation of an additional desorption column, heat exchangers, and a steam boiler together with construction of additional conveyors for feeding ore into the new mill.

Mine expansion preceded final construction of the increase in processing capacity where the main bottleneck had been in milling capacity (Figure 13). The process capacity expansion was completed at the end of 2024 and fully commissioned in 2Q25.

Figure 13: Sekisovskoye processing plant

Source: AltynGold, CAG Research.

Mining at Sekisovskoye transitioned fully to underground operations in 2016. The mining method is by long-hole open stoping with paste filling, enabled by the high structural integrity of the rock while the near vertical breccia ore bodies permit use of open-face mining with a sublevel height of 50m. This is a highly efficient method of mining, helping to explain the low cash cost of operation (see Financials). Under this method of mining, long holes are drilled into the target section of the ore body and blasted with explosive to break up the ore which falls to the bottom of the stope, which is the actual excavation space where ore is being mined. The ore is then recovered and brought to surface for processing up through the declines (tunnels) which have been developed to enable access to the ore bodies using trucks and loaders (Figure 14, Figure 15, and Figure 16). Once the relevant section of the ore body has been mined out, it is backfilled with paste manufactured on site from a mixture of water, mine tailings and cement in order to support the overlying rock strata.

Figure 14: Drilling rig

Figure 15: Truck

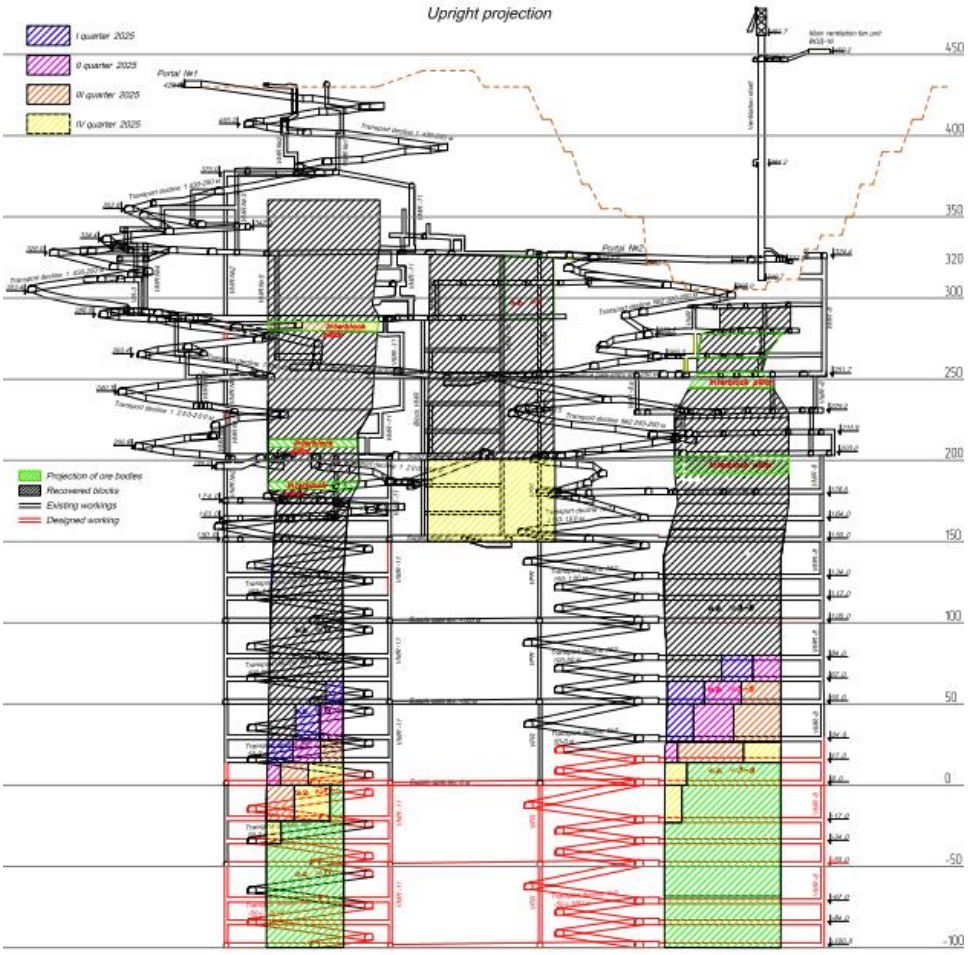
Figure 16: Loader

Source: AltynGold, CAG Research.

Besides its efficiency, this method of mining improves selectivity of the ore to be mined, reducing dilution to gold grade for processing that might otherwise occur if sub par grade ore had to be mined as part of mining operations.

Sekisovskoye is being developed using two declines. As at the start of 2025, Decline No 1 had reached zero metres above sea level (+0masl) and Decline No 2 was at +34masl (Figure 17). As of 1H25, Decline No 1 was at -34masl and Decline No2 had reached 0masl.

Figure 17: Sekisovskoye schematic



Source: AltynGold, CAG Research.

During 2024 AltynGold constructed 4,079m of tunnel (2023 6,432m) and completed 216,000m of blast hole drilling (2023 151,116m).

Exploration work continues at the Sekisovskoye mining area to support future mine planning and reserve growth, including numerous programmes of geophysics, trenching and diamond drilling. A total of 1,490 drill holes have been completed since the mining rights were acquired in 1988, including both surface and underground drilling. More recent exploration campaigns have consisted almost exclusively of underground drilling. In 2024, AltynGold completed 19,200m of exploration drilling (2023 11,756m).

Gold processing is undertaken using the widely used Carbon in Pulp (CIP) extraction technique. Under this process the raw ore is crushed and then milled into very fine particles in order to maximise the surface area for the subsequent reactions.

The ore particles are mixed with water to form a slurry and passed through a series of agitated tanks where sodium cyanide and oxygen have been added which leaches the gold out of the ore as a gold-cyanide complex and into solution. This controlled solution (pulp) is then flowed through further agitated tanks containing activated carbon onto which the gold-cyanide solution is absorbed and from which it can then be recovered by elution to produce a gold-rich eluate. The gold is recovered from the eluate by electrowinning in which a direct current causes the gold ions to be deposited on the cathode from which the gold is finally extracted by smelting to produce doré bars which have a typical gold content of 45%-50% with the

balance mainly silver (Figure 18). The doré is then sent to the national state Tau-Ken-Samruk refinery in Astana for further processing into high-purity bullion.

Figure 18: CIP process

Source: Various, CAG Research.

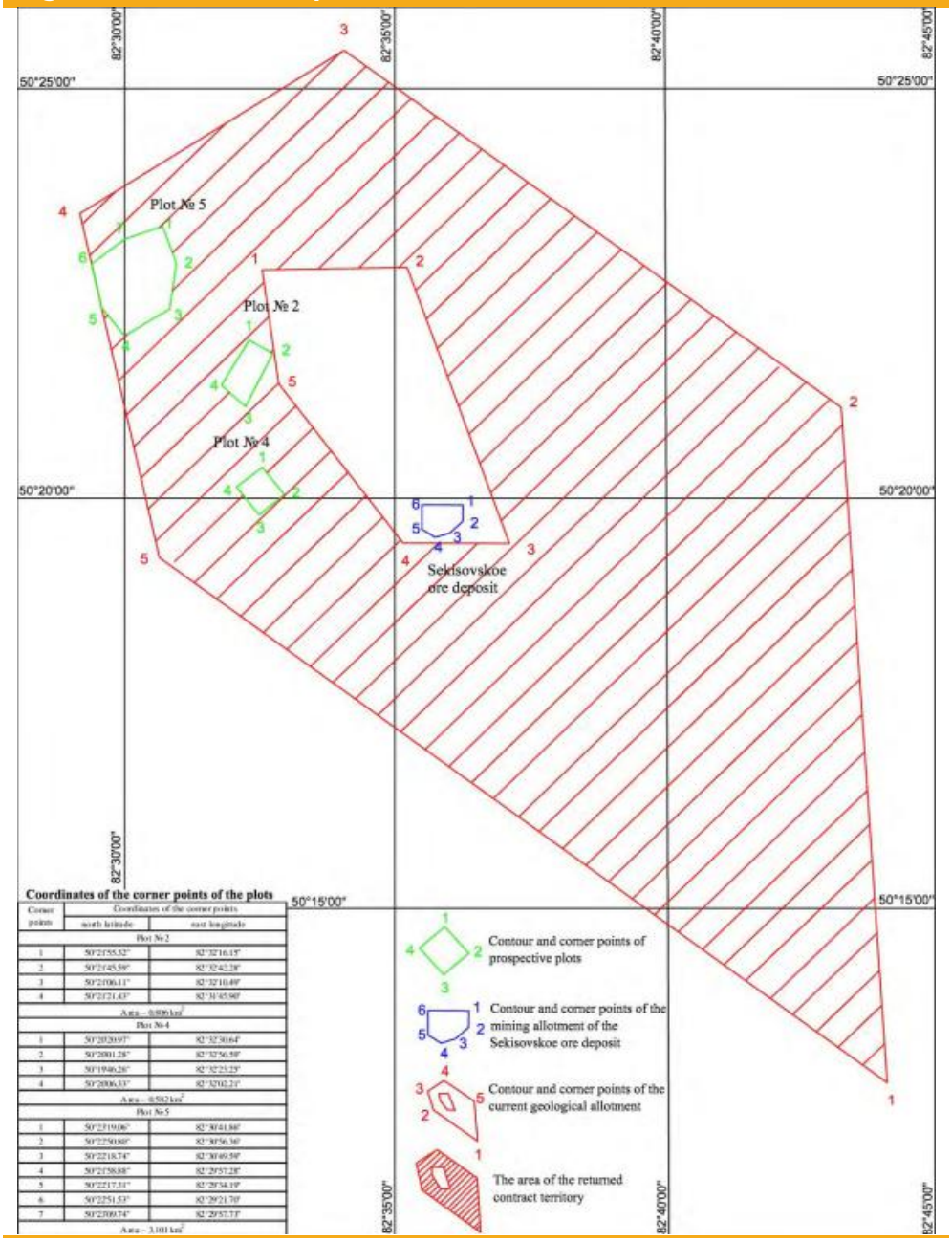
Following completion of the process capacity upgrade at Sekisovskoye, gold recovery from the ore has been increased to 85% from 83.6%.

Teren Sai

AltynGold was granted subsoil exploration area contract 48-40-TPI for Teren Sai, renamed from Karasuyskoye, effective May 2016 for an initial term of six years which was subsequently extended by two years to 2024 and by a further two years to March 2026.

The Teren Sai Project initially included 15 targets based on historical exploration with AltynGold now specifically focused on three targets, plots 2, 4 and 5 (outlined in green in Figure 19) covering an area of 4.5km2 within Area 2. The main target is considered to be plot 2 which includes two breccia bodies.

Figure 19: Teren Sai exploration licence



Source: AltynGold, CAG Research.

Exploration undertaken by AltynGold since contract award includes pitting, trenching and diamond drilling including a total of 41 drill holes. These, together with 13 historical drill holes form the geological database used to provide the 2019 initial estimates for Reserves and Resources (see Reserves and Resources).

AltynGold is currently conducting further drilling, mapping, and sampling that included core drilling of 9,720m, and the sampling of 6,370 samples in 1H25. The next step will involve the preparation of a new resources estimate with the intent to move to the production phase, subject to agreement on a work programme with the mining authorities. Initially this is expected to be on an open cast basis and most likely at a relatively modest scale with ore processed at the Sekisovskoye facilities, pending agreement on a full development programme. As the current exploration licence expires in March 2026, it will be switched to a production licence on completion of all research.

Reserves and Resources

AltynGold last published CPRs on Sekisovskoye and Teren Sai in 2019 when total gold Reserves and Measured and Indicated Resources were estimated at 5.25Moz and 5.33Moz, respectively. Including Inferred Resources, the total resource base increases to 8.16Moz together with a total Exploration Result of 2.5Moz. The average gold reserves grade was estimated at an attractive 3.53g/te at Sekisovskoye and 2.74g/te at Teren Sai. Since the CPRs were published, just 0.2Moz of the reserves base has been produced. The long-term gold price assumption used to estimate the resource base was US$1,280/oz, a fraction of the current price.

AltynGold last published CPRs on Sekisovskoye and Teren Sai in 2019. Both reports were compiled by Ernst and Young Advisory Services (EY) and were prepared in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Each report is dated as of 31 May 2019.

For Sekisovskoye, Measured and Indicated Resources, all of which are underground, were estimated from the then current working depth of -185masl to a depth of -400masl and Inferred Mineral Resources were estimated from -400masl to -800masl. An Exploration Result was estimated from -800masl to -1,500masl.

For Teren Sai, Measured Resources were estimated from surface at c+490masl to +260masl and Indicated Resources from +260masl to a depth of +25masl. No Inferred Mineral Resources were estimated. An Exploration Result was estimated from +25masl to -375masl. Measured Resources are estimated both for open pit and underground operation with the open pit to underground boundary at +350masl. All of the Indicated Resources are estimated to be underground.

As of 31 May 2019, Measured and Indicated Gold Resources at Sekisovskoye were estimated at 3.85Moz with an average gold grade of 3.68g/te with Measured and Indicated Gold Resources at Teren Sai estimated at 1.48Moz at an average gold grade of 2.91g/te for a total of 5.33Moz of Measured and Indicated Gold Resources. Arithmetically adjusting for production of 0.20Moz at Sekisovskoye since the CPR date suggests remaining Measured and Indicated Gold Resources at Sekisovskoye of 3.65Moz (Figure 20, and Figure 21).

Figure 20: Sekisovskoye Resources

Resource type	Level (masl)	Ore (Mte)	Cut-off grade (g/te)	Average gold grade (g/te)	Contained gold (Moz)	Average silver grade (g/te)	Contained silver (Moz)
Measured	+250 to -400	29.03	1.5	3.76	3.51	6.2	5.79
Indicated	+250 to -400	3.48	1.5	3.03	0.34	5.08	0.56
Sub-total		**32.51**	**1.5**	**3.68**	**3.85**	**6.08**	**6.35**
Inferred	-400 to -800	37.15	1.5	2.37	2.83	3.99	4.77
Total Resource		**69.66**	**1.5**	**2.98**	**6.68**	**4.97**	**11.12**
Produced since 2019					**0.20**		**0.19**
Remaining M + I Resource[1]					**3.65**		**6.16**
Remaining total Resource[1]					**6.48**		**10.93**

Source: AltynGold, CAG Research. 1) Arithmetic adjustment only.

Figure 21: Teren-Sai Resources

Resource type	Level (masl)	Ore (Mte)	Cut-off grade (g/te)	Average gold grade (g/te)	Contained gold (Moz)	Average silver grade (g/te)	Contained silver (Moz)
Measured - open pit	+490 to +350	5.99	0.5	1.89	0.36	3.25	0.63
Measured - underground	+350 to +25	3.80	1.5	3.75	0.46	6.13	0.75
Sub-total		**9.79**		**2.61**	**0.82**	**4.37**	**1.38**
Indicated - underground	+350 to +25	6.06	1.5	3.38	0.66	5.52	1.07
Total Resource		**15.85**		**2.91**	**1.48**	**4.81**	**2.45**

Source: AltynGold, CAG Research.

In addition to the Measured, Indicated, and Inferred Resource base for gold, Exploration Results of 1.47Moz at an average gold grade of 2.37g/te and 1.03Moz at an average grade of 3.46g/te were estimated for Sekisovskoye and Teren Sai, respectively.

In determining the resource base, no selective mining was assumed, consistent with the mining method used (see Business) and guidance included in Kazakh mining legislation which does not allow for the selective mining of blocks above the approved cut-off grade for gold of 1.5g/te apart from estimated open pit resources at Teren Sai where the cut-off grade is 0.5g/te.

The key modifying factors used were:

- Long term gold and silver prices of US$1,280/oz and US$17/oz respectively
- Processing recovery rates for gold and silver of 83% and 73% for silver
- An average underground mining cost of US$425/oz

The related estimates for Proved and Probable Gold Reserves were 3.80Moz at Sekisovskoye and 1.45Moz at Teren Sai. Ore Reserves at Sekisovskoye have been estimated from surface at +430masl to a depth of -400masl. The Ore Reserve Calculation for Sekisovskoye includes a 5% dilution factor, 2% mining loss and 100% extraction factor. For Teren Sai, an average mining extraction factor of 90% has been utilised. The open pit reserve estimate allows for mining losses of 5% and mining dilution of 10% while the underground reserves estimate allows for mining losses of 2% and dilution of 5%.

Reserves for Sekisovskoye and Teren Sai are shown in Figure 22 and Figure 23.

Figure 22: Sekisovskoye Reserves

Reserves type	Tonnage (Mte)	Average gold grade (g/te)	Contained gold (Moz)	Average silver grade (g/te)	Contained silver (Moz)
Proved	29.87	3.61	3.47	5.88	5.65
Probable	3.58	2.91	0.33	4.81	0.55
Total	**33.45**	**3.53**	**3.80**	**5.77**	**6.20**
Produced[1]			**0.20**		**0.19**
Remaining[1]			**3.60**		**6.01**

Source: AltynGold, CAG Research. 1) Arithmetic adjustment only.

Figure 23: Teren Sai Reserves

Reserves type	Tonnage (Mte)	Average gold grade (g/te)	Contained gold (Moz)	Average silver grade (g/te)	Contained silver (Moz)
Proved - open pit	6.29	1.71	0.35	2.94	0.59
Proved - underground	3.91	3.60	0.45	5.87	0.74
Proved - total	**10.20**	**2.43**	**0.80**	**4.06**	**1.33**
Probable	6.23	3.25	0.65	5.33	1.07
Total	**16.43**	**2.74**	**1.45**	**4.54**	**2.40**

Source: AltynGold, CAG Research.

As the Resources and Reserves tables show, there is also a significant quantity of silver at Sekisovskoye and Teren Sai, but the price differential between gold and silver makes the additional value contribution welcome but marginal.

While the CPRs have not been updated since 2019, subsequent production has been modest. Moreover, in the current climate with the gold price three times the long term price assumption used in the CPR and an increase in the process recovery rates resulting from the completion of the new processing capacity these modifying factors would likely be far more favourable in any revised calculation and sufficient to more than offset the increase in mining cost. Consequently, actual current Resources and Reserves are likely to be at least as much as the large values already reported, we expect.

Financials

The increase in production capacity and leverage to the rising price of gold is set to transform AltynGold's financial performance. We forecast a near doubling in revenue to over US$180m by 2026 from 2024, driving a trebling in net profit to US$77m based on a gold price of US$3,300/oz. We expect an even stronger uplift in net cash generation, boosted by the unwinding of a historic working capital position. Net debt associated with the last investment phase peaked in 2023 and is now falling very rapidly; we forecast AltynGold to be in a net cash position by the end of this year. Net of the disclosed, modest capex plan, free cash flow is set to exceed US$80m pa from 2026 putting the company in a very strong position to invest in accelerating growth to its next production target of 100Koz pa.

The financial results of AltynGold are dominated by the performance of its Sekisovskoye mining operation. As a mining business, the financial structure is relatively straightforward with revenue generated from the sale of gold and silver, and cost of sales reflecting the cost of mining operations. MET is currently charged at 7.5% on the contained gold in the ore produced and is included in cost of sales. In 2024, MET amounted to approximately 19% of total cost of sales. New, cliff-edge banded MET rates are set to apply from 2026 at a rate of 9% on our assumed US$3,300/oz price deck and 11% at the current gold price of US$3,850/oz (see Kazakh regulatory structure and fiscal terms).

As required under Kazakh law, all gold is sold to the State with title passing when the doré is accepted by the state refinery (see Business) which pays market price (Figure 24).

Figure 24: Gold price realised vs spot (US$/oz)

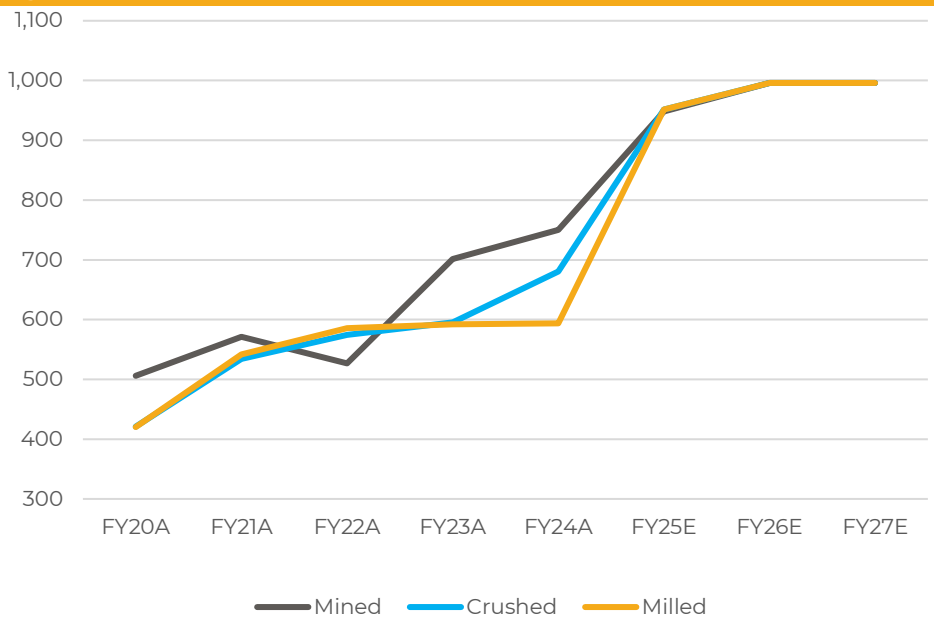
Source: AltynGold, Bloomberg, CAG Research.

Sales are reported net of VAT but as VAT is not applicable to sales of gold or silver, there is no net effect on revenue. The value of the sale of gold dominates revenue with sales of silver typically accounting for c1% of revenue.

Gold available for sale is currently driven by the milling capacity at Sekisovskoye, the gold grade processed and the recovery rate. That is why the recent expansion of the milling capacity by nearly 70% is so transformational for the financial performance of AltynGold, independent of the gold price.

Prospectively, there should be a much improved match between ore mined, crushed and milled than there has been in the past (Figure 25).

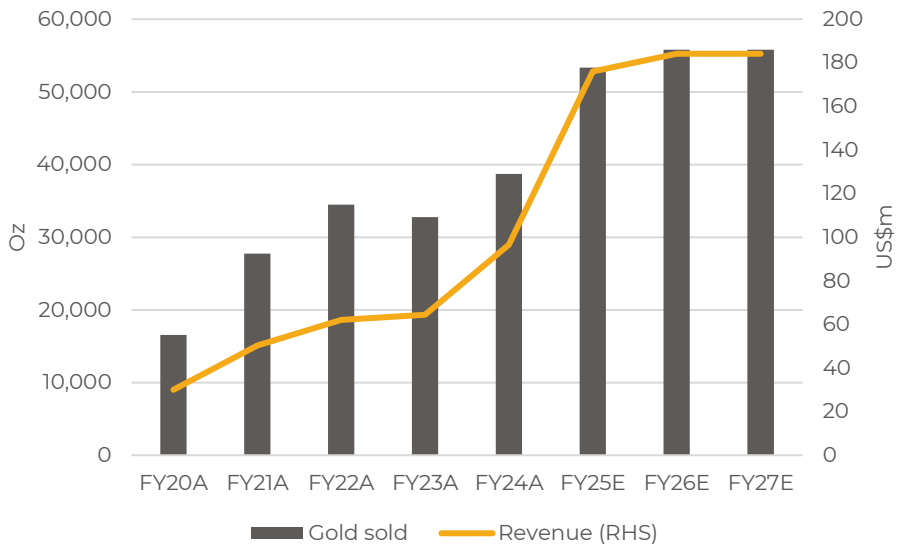
Figure 25: Ore mined and processed (Mte pa)



Source: AltynGold, CAG Research.

Our revenue forecast assumes gold poured matches physical gold sales, reflecting the historical relationship, while gold poured is calculated as a function of gold milled multiplied by the gold grade processed adjusted for the gold recovery rate. We assume a consistent prospective gold grade of 2.05g/te, marginally below the last three-year average of 2.09g/te and a recovery rate of 85% consistent with recent history and the targeted recovery rate following completion of the processing capacity upgrade. Our base case forecast is based on a gold price of US$3,300/oz held flat from 2025. AltynGold does not hedge its sales revenue as its policy is to maintain full exposure to the gold price. On that basis, we forecast gold sales to stabilise at 56Koz, up 50% on 2024 generating revenue of US$184m by 2026, almost double the revenue generated in 2024 (Figure 26).

Figure 26: Gold sold (oz), revenue (US$m)



Source: AltynGold, CAG Research.

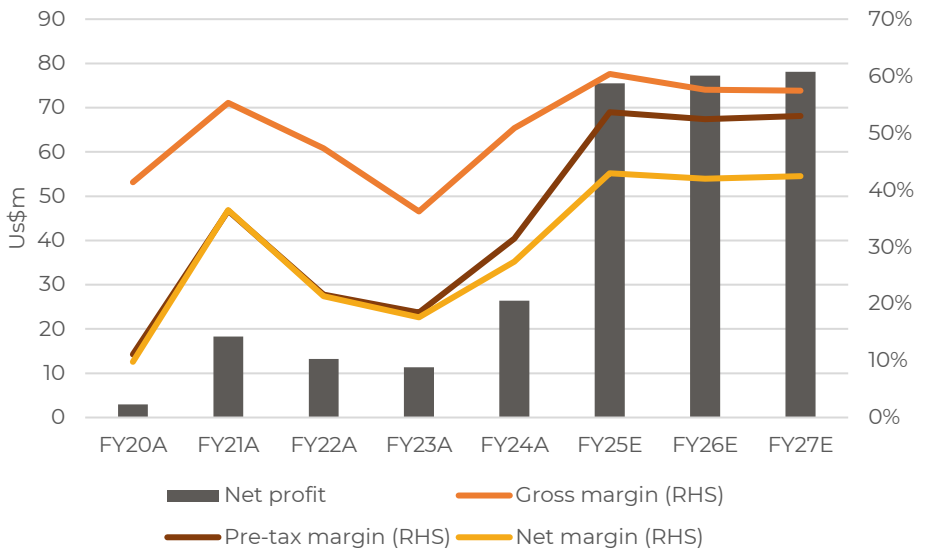
AltynGold has disclosed a cash cost of production since 2022 from which we are able to back calculate MET, which is not disclosed separately. On that basis we estimate cash operating costs, excluding MET, for 2024 of US$790/oz which we hold flat at US$800/oz prospectively, although AltynGold expects cash operating costs to fall as production ramps up. We also assume corporate administration costs at a steady US$7m pa. We note that the tendency of the Kazakh Tenge to depreciate against the US$ helps to maintain downward pressure on cash operating costs, most of which are incurred in Tenge.

Hitherto, AltynGold has not reported an All-In Sustaining Cost (AISC) of production, partly because the expenditure on Teren Sai would have skewed the calculation. However, the company disclosed an AISC of US$1,357oz for 1H25. That compares with an average of US$1,449/oz in 2024 for peers, confirming AltynGold's credentials as a low cost operator.

Following the high level of investment associated with the expansion of mine and processing capacity, AltynGold ended 2024 with net debt at US$49.7m resulting in a relatively high net finance charge of US$5.7m which we forecast to fall rapidly as free cash flow generation jumps, dependent on the pace of future investment. However, the US$20m in bond financing in two dollar denominated US$10m tranches bearing interest rates of 11.25% and 9.75% cannot be repaid before maturity in 2027 and 2028, respectively.

AltynGold is subject to the standard rate of Kazakh corporation tax at 20% and the tax liability is set to become a much more significant component of earnings as net profit surges to a new run rate of about US$80m pa and as Kazakh tax losses have now been fully utilised (Figure 27).

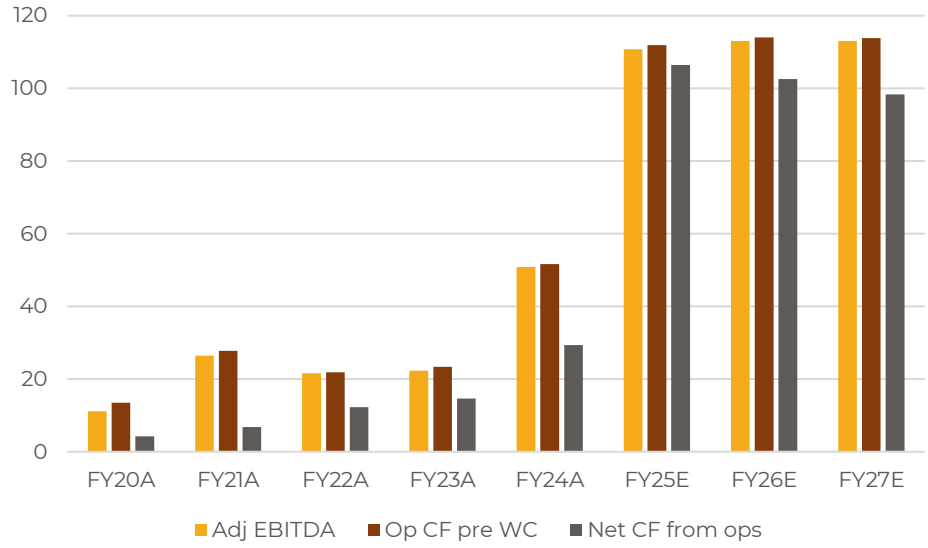
Figure 27: Net profit (US$m), margin development (%)



Source: AltynGold, CAG Research.

Net cash generated from operations is set to leap by even more than profit, increasing over three times 2024 levels by 2026. That increase is mainly driven by the hike in profit but is also boosted by a likely partial unwind of negative working capital movements over the last several years which have resulted in a mismatch between adjusted EBITDA and net cash generation (Figure 28).

Figure 28: Adj EBITDA, CF from operations pre WC, and net (US$m)

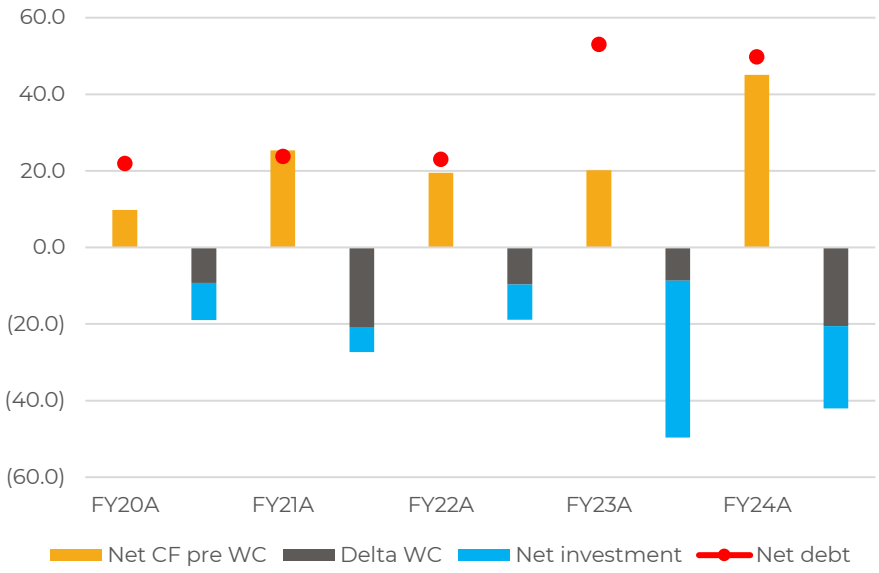


Source: AltynGold, CAG Research.

The negative working capital position has a number of causes including a build in ore inventory as mining output exceeded processing capacity (Figure 25), a sale of unprocessed ore in 2024 for which payment is due, and pre-payments in respect of the mine and processing capacity expansion programme. We also note that, although VAT is not payable on gold sales, it is recoverable in cash from the State on vatable goods purchased, most notably machinery. While VAT is regularly reimbursed with a satisfaction rate of 90%-95%, recovery is often slow and there was a substantial US$8.9m in recoverable VAT in non-current receivables at 30 June 2025.

Given the heavy investment programme since 2023, the net debt position has increased significantly but began to decline in in 2024 (Figure 29) and fell a further US$15.7m during 1H25 to US$34.0m as at 30 June 2025.

Figure 29: Cash flow and debt evolution (US$m)



Source: AltynGold, CAG Research.

On our 'as is' forecasts net of disclosed remaining forecast capex of US$32m in 2025 and cUS$15m for each of 2026 and 2027, AltynGold could be in a net cash position by the end of this year. Leverage (net debt/adjusted EBITDA) peaked at 2.4x in 2023 (Figure 30).

Figure 30: Net debt, leverage

		FY22A	FY23A	FY24A	FY25E	FY26E	FY27E
Net debt	US$m	23.0	53.0	49.7	(20.1)	(104.5)	(187.0)
Leverage	X	1.1	2.4	1.0	n/a	n/a	n/a

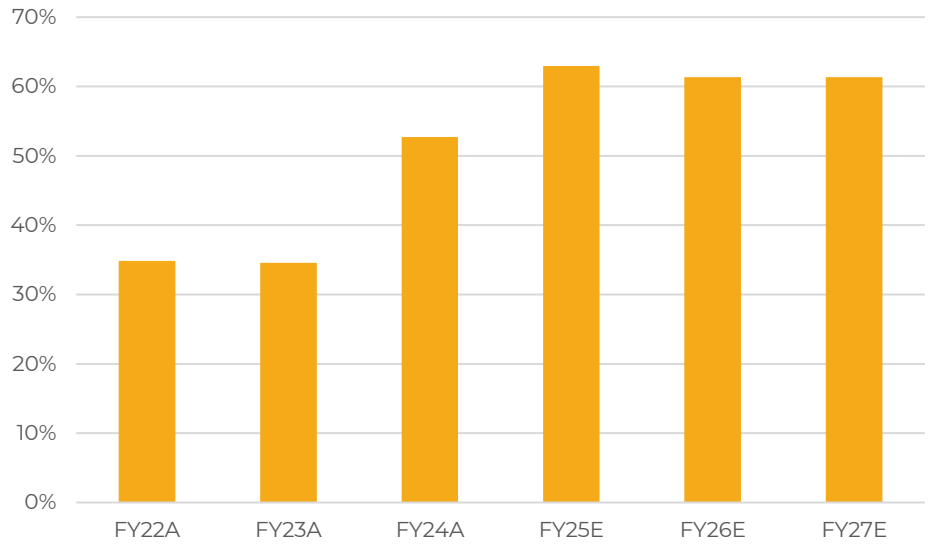
Source: AltynGold, CAG Research.

AltynGold has not raised equity since 2020 with financing being provided by a mixture of bank debt, bond financing, and a credit line for the purchase of machinery. This financing was all raised from local banks and, for the bonds, on the Astana Stock Exchange. Borrowings are in a mixture of US$ and Tenge with a maximum interest rate of 11.25%. As at 30 June 2025, gross debt stood at US$50.0m, of which US$20m is in the two bonds and the balance is bank debt. AltynGold has no lease financing.

AltynGold does not and has never paid a dividend, given the investment required to drive the growth the company is now delivering. Given the company's target for a further large increase in production to 100Koz of gold, we believe it is more likely that AltynGold will focus on growth rather than dividends. However, we note that Kazakh companies do not face restrictions on paying dividends externally, subject to withholding tax which would be at 15% on dividends paid by the operating subsidiaries to the PLC.

Besides production guidance for gold production of 50Koz for 2025 and 100Koz in the longer term, AltynGold has not set out other targets. The company has discussed achieving an EBITDA margin of ~45%, most likely on a significantly lower price deck than that currently prevailing. In 2024, the EBITDA margin was 53% and we forecast the margin to stabilise above 60% (Figure 31), in part pared back by the new banded MET framework expected to apply from 2026.

Figure 31: EBITDA margin (%)



Source: AltynGold, CAG Research.

AltynGold has not explicitly set out its investment plans to achieve its longer-term target of 100Koz which, given the resource base, could come either from further development at Sekisovskoye, development of Teren Sai, or a mixture of the two. While the company expects to start production from Teren Sai in 2026/27, we expect this to be more akin to test production utilising the processing capacity at Sekisovskoye, as we understand a full phased development would probably require US$50m-US$100m per phase.

Given the transformation in the company's financial position at current gold prices and increased scale of production, we believe AltynGold is now in a much sounder position to pursue the next stage of growth from its deep resource base funded internally or through increased access to debt markets. Moreover, with a relatively low cash cost of operation, the company would be financially resilient at significantly lower gold prices. Based on our model, the gold price could fall as low as cUS$1,850/oz from 2026 before net profit would fall to the level of 2024 actuals. By contrast, at the current gold price held flat from 2026, net profit could approach US$100m pa (Figure 32).

Figure 32: Net profit sensitivity (US$m; gold price flat from 2026)

	FY24A	FY25E	FY26E	FY27E
Base case	26.4	75.5	77.2	78.1
Gold @US$3,850/oz	26.4	75.5	94.8	95.8
Gold @ US$2,500/oz	26.4	75.5	47.8	48.4
Gold @ US$2,000/oz	26.4	75.5	27.8	28.2

Source: AltynGold, CAG Research.

Summary financial highlights are as shown in Figure 33 with the detail in Summary financial statements.

Figure 33: Financial highlights

Highlight	Unit	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue	US$m	64.4	96.5	175.9	184.1	184.1
Gross profit	US$m	23.3	49.1	106.2	106.0	105.8
Gross margin	%	36%	51%	60%	58%	57%
Net profit	US$m	11.3	26.4	75.5	77.2	78.1
EPS	USc	41.5	96.7	276.3	282.6	285.7
Adjusted EBITDA	US$m	22.3	50.9	110.8	113.0	113.0
Operating cash flow[1]	US$m	23.4	51.6	110.9	113.1	113.1
Net cash flow	US$m	14.7	29.4	105.4	101.6	97.5
Net cash investment	US$m	(40.9)	(21.5)	(32.0)	(15.7)	(14.7)
Net (cash)/debt[2]	US$m	53.0	49.7	(20.1)	(104.5)	(187.0)
Leverage	x	2.4	1.0	n/a	n/a	n/a

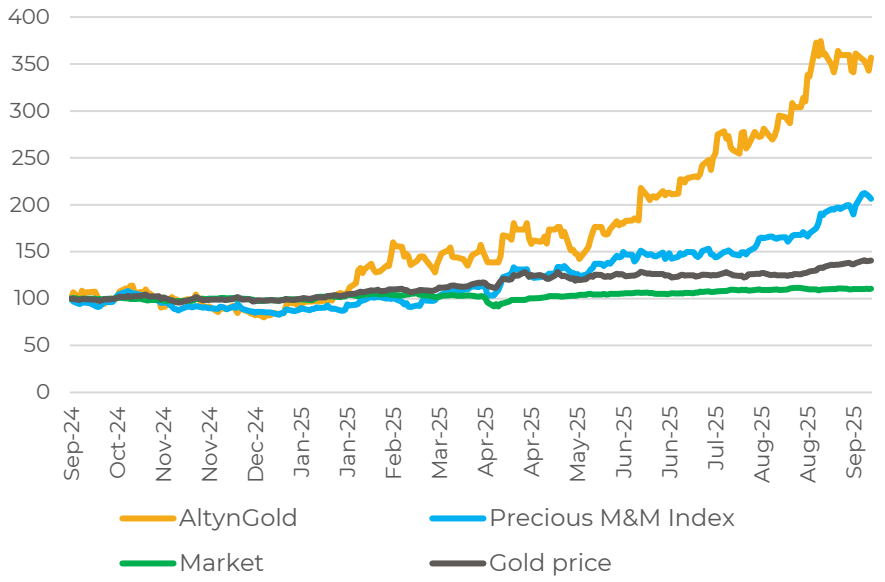
Source: AltynGold, CAG Research. 1) Before working capital. 2) AltynGold has no lease finance.

Valuation

Over the last year, AltynGold has been a stellar performer, but we believe there is more to come. The transformation in the company's financial performance flows directly through into valuation metrics. On a multiples valuation basis versus peers that equates to the second largest YoY reduction in P/E and EV/EBITDA to a third of the average to peers on P/E and a c40% discount on EV/EBITDA. On a reserves valuation basis, AltynGold is the lowest valued of peers at an EV/Reserves of just US$65/oz. Based on recent gold M&A transactions, takeout valuations are generally at multiples of the forward rating on AltynGold as are take out valuations for gold Reserves. Finally, a very simple DCF calculation with a cut-off in 2030 computes to a value of 1,084p/share, a third higher than the current share price. We believe this upside is likely to recognised as the financial impact of AltynGold's processing expansion and leverage to rising gold prices becomes more evident in the company's results, starting with the 1H25 performance.

Over the last year, AltynGold has been a stellar performer, more than trebling in value and far outpacing the Precious Metals and Mining Index, the market and the gold price (Figure 34).

Figure 34: Share price vs indices vs gold price, -1yr rebased



Source: Bloomberg, CAG Research.

We believe that reflects a partial recognition of the likely impact on the company of the completion of its processing expansion and the operating leverage to rising gold prices.

However, we believe there is likely to be substantial further upside as the financial impact becomes more evident in AltynGold's results and as it improves its communication with the market.

The transformation in the company's financial performance flows directly through into valuation metrics, particularly on EV based measures, given the rapid debt paydown, and cash yield (Figure 35).

Figure 35: Valuation metrics[1]

Measure	Unit	FY23A	FY24A	FY25E	FY26E	FY27E
EV/EBITDA	X	4.1	2.0	2.5	1.7	1.0
FCF yield	%	-78.1%	5.8%	23.4%	28.2%	27.6%
P/E	X	3.3	2.0	4.0	3.9	3.8
Price to book	X	0.5	0.6	1.9	1.3	1.0

Source: Bloomberg, AltynGold, CAG Research. 1) Uses annual averages for historic share prices.

We approach valuation in four ways. First, by comparison with a relevant peer group on a multiples basis, second by reference to the implied market valuation of Reserves, third by reference to recent gold M&A transactions, and fourth, by way of a very simple DCF valuation, all of which suggest AltynGold should continue to trade significantly higher. Indeed, the company's very long reserve life underscores the potential to benefit from accelerating development of its resource position.

For comparative purposes, we have selected all listed companies with a market capitalisation of cUS$300m-cUS$600m, available consensus forecasts and reported gold Reserves whose main exposure is in emerging or frontier markets (Figure 36).

Figure 36: Peers

Company	Mkt cap[1] (US$m)	2024 gold production (Koz)	Principal mining jurisdiction
AltynGold	**296**	**37.3**	**Kazakhstan**
Serabi Gold	250	37.5	Brazil
Steppe Gold	319	78.5	Mongolia
Jaguar Mining	339	64.7	Brazil
Robex Resources	557	46.7	Guinea
Galiano Gold	560	115.1	Ghana
Thor Explorations	590	85.0	Nigeria
Orezone Gold	596	118.7	Burkina Faso
Kingsgate Consolidated	629	37.0	Thailand
Caledonia Mining	636	78.3	Zimbabwe

Source: Bloomberg, companies, CAG Research. 1) Market cap at 26/9/25.

As consensus forecasts are not available for AltynGold, we are using our forecasts (see Financials) for the multiples comparisons.

Multiples calculations are all based on the current share price or market capitalisation and, for enterprise value, the last published net debt or net cash position. All calculations are based in dollars, converted where relevant at the current exchange rate. All companies have a December financial year end with the exception of Kingsgate Consolidated which has a June year end.

Figure 37 presents the multiple comparisons based on 2024 reported net earnings and 2025 consensus forecasts. Although there were companies on lower P/E ratings in 2024, the P/E rating on AltynGold was about half the average. Moreover, we expect the surge in gold production to drive the second largest fall in forward P/E for AltynGold to just 3.9x, amongst the lowest in the group and down to a third of the average.

Figure 37: Multiples comparison – P/E (X)

Company	2024[1]	2025[1,2]	YoY Delta
AltynGold	**11.2**	**3.9**	**-65%**
Thor Explorations	6.5	3.3	-49%
Orezone Gold	13.0	4.6	-65%
Steppe Gold	5.2	4.7	-9%
Serabi Gold	9.0	5.2	-43%
Galiano Gold	65.5	8.7	-87%
Caledonia Mining	27.6	12.1	-56%
Kingsgate Consolidated	(33.3)	17.2	n/a
Jaguar Mining	(263.3)	34.2	n/a
Robex Resources	(44.3)	(23.6)	n/a
Average exc AltynGold[3]	**21.1**	**11.3**	**-47%**

Source: Bloomberg, companies, CAG Research. 1) Share prices at 26/9/25. 2) Bloomberg consensus except AltynGold. 3) Average excludes negative values.

Figure 38 presents the equivalent multiple comparisons for EV/EBITDA. As for P/E, AltynGold looks set to deliver the second largest YoY reduction in EV/EBITDA multiple. That would drive the company from an average EV/EBITDA multiple in 2024 to a 40% discount to the average for 2025.

Figure 38: Multiples comparison – EV/EBITDA (X)

Company	2024[1]	2025[1,2]	YoY Delta
AltynGold	**6.5**	**3.0**	**-54%**
Galiano Gold	6.2	2.4	-61%
Thor Explorations	4.0	2.5	-38%
Orezone Gold	5.3	2.9	-45%
Serabi Gold	6.3	3.7	-41%
Steppe Gold	4.5	4.8	5%
Caledonia Mining	9.9	4.9	-50%
Jaguar Mining	4.7	6.3	36%
Robex Resources	9.2	13.7	49%
Kingsgate Consolidated	(63.5)	n/a	n/a
Average exc AltynGold[3]	**6.3**	**5.2**	**-18%**

Source: Bloomberg, companies, CAG Research. 1) Market cap at 26/9/25 and last reported net (cash)/debt position. 2) Bloomberg consensus except AltynGold. 3) Average excludes negative values.

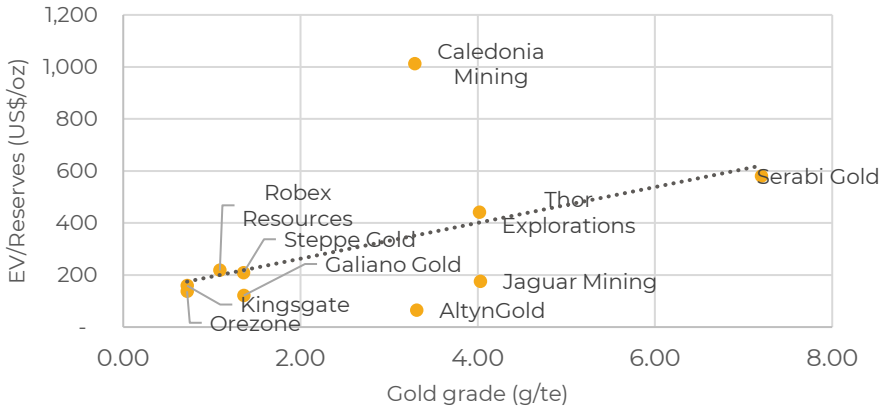
As discussed in Financials, we expect AltynGold's prospective net cash generation performance to be significantly stronger than that of its EBITDA which means that EV/EBITDA comparisons are likely understating the relative net cash generation improvement for AltynGold versus its peers, which we expect will be more important in driving valuation.

Both Figure 37 and Figure 38 demonstrate that AltynGold is set to outperform peers significantly in terms of its financial performance and that, despite the share price appreciation it has already generated, it would still trade well below peer group average ratings, particularly on earnings.

Turning to Reserves, the financial performance of any gold company is intimately bound up in its reserves position, costs of production, fiscal framework, and country risk exposure.

As an initial sighting measure, Figure 39 plots enterprise value to Reserves in US$/oz against gold reserves grade in g/te. As might be expected, there is a positive correlation between higher reserves grades and the value of Reserves, as the higher the gold grade, the lower the cost of extraction is likely to be.

Figure 39: Market valuation[1] of Reserves versus gold grade



Source: Bloomberg, companies, CAG Research. 1) Market cap at 26/9/25 and last reported net (cash)/debt position.

Figure 39 also demonstrates that AltynGold has a relatively attractive gold concentration in its assets but still trades at the lowest market valuation of the group, based on Reserves. This is more clearly illustrated in Figure 40 which lists EV to Reserves and to Resources together with reserve life.

Figure 40: Market valuation[1] of Reserves and Resources

	EV/gold Reserves (US$/oz)	EV/gold Resource (US$/oz)	Reserve life (years)
AltynGold	**65**	**64**	**135**
Galiano Gold	216	121	18
Orezone	259	138	20
Kingsgate	399	159	42
Jaguar Mining	379	175	12
Steppe Gold	269	208	22
Robex Resources	575	218	21
Thor Explorations	1,038	440	6
Serabi Gold	1,387	581	4
Caledonia Mining	1,182	1,012	7
Average exc AltynGold	**634**	**339**	**17**

Source: Bloomberg, companies, CAG Research. 1) Market cap at 26/9/25 and last reported net (cash)/debt position.

As Figure 40, shows, AltynGold has the lowest market valuation for its gold Reserves and Resources which are well below the next more lowly valued company and small fractions of the average for the peer group. Figure 40 also highlights that AltynGold has a much longer reserves life than peers at 135 years, based on production in 2024. While that will fall sharply in 2025 as production ramps up, it will still be over 60 years at Sekisovskoye and 90 years in total, remaining easily the highest in the group. The long reserves life impacts value because of the time value of money when considering the discounted value of the cash flow generated at that pace of production relative to the reserves base. More importantly, though, it highlights the potential the company has to increase its production, thereby adding value. Based on current Reserves, the rate of production consistent with the peer-average 17-year reserves life would be c300Koz or six times target production for 2025 and three times AltynGold's longer term production target of 100Koz.

The gold mining space has seen a fairly large number of M&A transactions, which provide an insight into valuation, although we note that AltynGold's ownership structure is likely to limit the potential for an acquisition of the company (see Structure, management, and shareholders).

Figure 41 sets out recent transactions of producing companies/mines which have completed since 2024 together with take out valuations, where available. While acquisition P/Es are highly variable, as would be expected given financial vulnerability often provides the acquisition opportunity, they and EV/EBITDA take out valuations are generally at multiples of the forward rating on AltynGold as are take out valuations for gold Reserves with the exception of Hummingbird Resources which was in severe financial difficulty and was acquired by its major shareholder and lender. It is also notable that the agreed US$1.2bn ZiJin acquisition of Raygorodok Gold is for assets in Kazakhstan at a 50% premium to AltynGold's forward P/E and six times its EV/Reserves valuation.

Figure 41: Gold M&A transactions and take out valuations

Acquirer	Target	Date completed	P/E (X)	EV/EBITDA (X)	EV/Reserves (US$/oz)
ZiJin	Raygorodok Gold	Ongoing	5.9	n/a	371
Equinox Gold	Calibre Mining	17/06/25	58.5	12.0	533
CIG/Nioko	Hummingbird Res	17/04/25	(1.2)	4.5	60
Greatland Gold	Telfer mine	04/12/24	n/a	3.7	283
AngloGold Ashanti	Centamin	22/11/24	27.4	6.1	314
Westgold Resources	Karora Res	01/08/24	123.0	8.1	599
Alamos Gold	Argonaut Gold	12/07/24	8.5	7.0	106
Vault Minerals	Silver Lake Res	19/06/24	37.7	6.0	715
Saturn Resources	Shanta Gold	10/05/24	(85.8)	9.3	430

Source: Bloomberg, companies, CAG Research.

Besides multiples, market valuation of Reserves and Resources, and deal based valuations, we have also generated a very simple DCF valuation for AltynGold which simply assumes free cash flow generation remains steady from the full run-rate achieved in 2026 through 2030 (see Summary financial statements). Discounting the unlevered free cash flow at a 7% discount rate, which is at the top end of the weighted average cost of capital for companies listed on the Kazakh Stock Exchange, and deducting the 1H25 period-end net debt position, yields an equity value of £296m or 1,084p/share, a third higher than the current share price.

Were AltynGold to trade at 1,084p/share, its Reserves would still only be valued at US$86/oz, and still easily the lowest valuation of the peer group (Figure 40).

The reason the DCF model can be so simple, is that the value calculation generated through 2030 is well above the current valuation despite accounting for production amounting to just c7% of remaining Reserves. Consequently, there is no need to factor in any growth in order to demonstrate significant upside to the current market value of the company.

Even allowing for significantly lower gold prices or much higher discount rates, the DCF would still be well above the current market capitalisation of £221m, as the gold highlighted area in Figure 42 highlights.

Figure 42: DCF sensitivity - equity value in £m

		Gold price (US$/oz)				
		2,500	2,900	3,300	3,700	4,100
Discount rate	6.0%	185	247	307	364	421
	6.5%	182	244	303	360	416
	7.0%	180	241	299	356	411
	7.5%	177	238	295	352	406
	8.0%	175	235	292	347	402
	8.5%	173	232	288	343	397
	9.0%	171	229	285	339	393
	9.5%	168	227	282	336	388

Source: Bloomberg, AltynGold, CAG Research.

While we would not put weight onto the historic reported CPR based valuations it is worth noting that EY estimated the value of the Sekisovskoye mine at US$383m-US$415m and that of Teren Sai at US$92m-US$104m, or a total of £365m-£399m which is largely bracketed by the upper valuation range shown in Figure 42.

In summary, despite having been a stellar performer over the last year, AltynGold should have significant further upside as demonstrated by comparative multiples, the comparative market valuation of Reserves and Resources, recent gold M&A take out values, or a very simple DCF based calculation excluding any future growth and a cut-off in 2030.

We believe this upside is likely to be recognised as the financial impact of AltynGold's processing expansion and leverage to rising gold prices becomes more evident in the company's results, already being demonstrated in the 1H25 performance, and as it improves its communication with the market.

Structure, management, and shareholders

The Board of AltynGold comprises seven Directors of whom the Chairman, and two of the Executive Directors (EDs) are members of the Assaubayev family who are also the controlling shareholders with a 65.5% interest. Maryam Buribayeva has just been appointed CFO, having previously been a Non-Executive Director (NED) of the company. Although AltynGold is not compliant with the UK Corporate Governance Code, the business has prospered under the leadership of Aidar Assaubayev, CEO since 2012 confirming that the interests of the Assaubayevs, together with the relationship agreement which is in place has resulted in a favourable performance for all shareholders.

Hambledon Mining Plc was incorporated in February 2004 and was listed on the AIM market in May 2004. In December 2012, a 59.9% controlling interest in Hambledon was acquired by African Resources Limited, a company ultimately controlled by the Assaubayev family and new management were installed to accelerate development of the Sekisovskoye mine. In January 2014, the company was renamed to Goldbridges Global Resources and migrated to a standard listing on the London Stock Exchange before being renamed to Altyn PLC in December 2016, altyn being Kazakh for gold, and to AltynGold PLC in December 2020.

AltynGold is a company incorporated in England and Wales with registration number 05048549 whose two main 100% owned operating subsidiaries are registered in and operate in Kazakhstan, being TOO GMK Altyn MM and DTOO Gornorudnoe Predpriatie Baurgold.

Within the Industry Classification Benchmark classification system, AltynGold is included under Basic Materials as the top classification and sub-nested under Basic Resources/ Precious Metals and Mining/ Gold Mining. Similarly, under the Bloomberg Industry Classification Standard, the company is included in the Precious Metals sub-category under Metals & Mining within the Materials top categorisation.

AltynGold is keenly aware of its obligations under the London Stock Exchange disclosure and transparency rules and is continually reviewing its corporate structure. Given the size of the company, it has not adopted the 2018 UK Corporate Governance Code (the Code), although it believes that the policies in place ensure that there are high standards of accountability and corporate governance.

The Board comprises seven members including a Non-Executive Chairman, and three EDs, together with three NEDs all of whom are considered to be independent (INED) by the Board and exercise independent judgement. The Chairman is not independent as he, together with two of the EDs are the controlling shareholders of the company. Their conduct is controlled by a relationship agreement which ensures that they act for the benefit of shareholders as a whole, under the oversight of the INEDs. Maryam Buribayeva has just been appointed CFO, having previously been an INED of the company. Following Ms Buribayeva's appointment as CFO, AltynGold plans to introduce a new INED to re-balance the Board.

AltynGold has established Board Committees for Audit and for Remuneration. The company does not currently have a Nominations Committee and given its stage of development does not believe it is appropriate. AltynGold has recently established an Environment, Social, and Governance Committee.

The Directors, Board Committees and their current composition are set out in Figure 43. The composition of the Audit Committee will be reviewed on the appointment of a new INED.

Figure 43: Directors, Board Committees, and membership

			Committee/membership		
Member	**Position**	**Date appt**	**Audit**	**Remun'n**	**ESG**
Kanat Assaubayev	Chairman[1]	Oct-13			
Aidar Assaubayev	CEO	Feb-13			
Sanzhar Assaubayev	ED	Feb-16			
Maryam Buribayeva[2]	CFO	Sep-25			X
Ashar Qureshi	INED	Dec-12	X	X	
Vladimir Schkolnik	INED	Nov-17	X	X	X
Andrew Terry	INED	Jan-22			

Source: AltynGold, CAG Research. 1) Non-Executive. 2) Appointed INED January 2022.

Directors

Kanat Assaubayev – Non-Executive Chairman

Kanat Assaubayev is one of Kazakhstan's leading entrepreneurs in the natural resources sector. Mr Assaubayev was the first Kazakh to get a doctorate in metallurgy. From an early career in academia, Mr Assaubayev began his business career in the 1990s and has led a number of natural resources enterprises to national and international success.

Aidar Assaubayev – Chief Executive Officer

Aidar Assaubayev was formerly Executive Vice Chairman of KazakhGold Limited, the gold mining corporation, and he was also formerly Vice-President and a director of JSC MMC Kazakhaltyn. Mr Assaubayev was appointed CEO of a predecessor company to AltynGold in December 2012, subsequently joining the Board in February 2013. Mr Assaubayev is one of Kanat Assaubayev's sons.

Sanzhar Assaubayev – Executive Director

Sanzhar Assaubayev was formerly Director of International Affairs of JSC MMC Kazakhaltyn and an Executive Director of KazakhGold Group Limited, the gold mining corporation. Mr Assaubayev is one of Kanat Assaubayev's sons.

Maryam Buribayeva – Chief Financial Officer

Maryam Buribayeva is a finance professional with extensive experience across the natural resources and property sectors having held senior roles at North Caspian Operating Company, the operator of the super-giant Kashagan oil field, KazMunayGaz, and Mercury Properties. Ms Buribayeva was initially appointed as an INED of AltynGold in January 2022.

Ashar Qureshi – INED

Ashar Qureshi is a London based US-qualified lawyer. He was formerly the Vice Chairman of Renaissance Group, where his position was a senior investment-banking role, and prior to that he worked with international firm Cleary Gottlieb Steen & Hamilton LLP. Mr Qureshi is currently a partner at Fried, Frank, Harris. Shriver & Jacobson LLP.

Vladimir Shkolnik – INED

Vladimir Shkolnik has held a number of high-profile positions in the Kazakh government and is currently advising the Kazakh government on industrial and energy matters. His previous positions included the office of Minister of

Energy, Minister of Trade and Industry, and also Deputy Head of Presidential administration, reporting directly to the President. Mr Shkolnik has a background in academia.

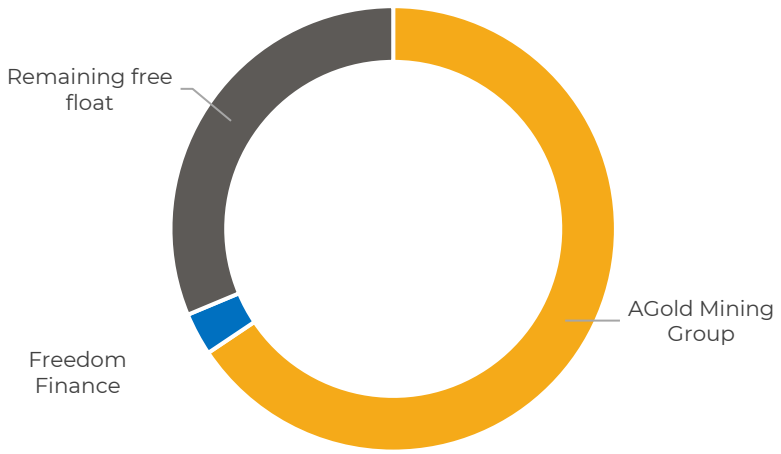
Andrew Terry - INED

Andrew Terry is an English-qualified solicitor specialising in international corporate and personal taxation issues with a focus on clients from Kazakhstan, Russia, Ukraine, Georgia, and Kyrgyzstan. He has extensive experience in setting up international holdings ahead of IPOs, debt finance transactions, private equity investments and trade sales. Mr Terry currently practices as a tax partner at Keystone Law and is a member of the advisory board at Amber Lion Partners.

Shareholders

AGold Mining Group holds a 65.5% interest in AltynGold and is itself controlled by the Assaubayev family. Freedom Finance, a Kazakh based financial services company, holds a 3.1% interest with the balance held mainly by retail shareholders through a variety of platforms. Mr Qureshi holds an 0.3% interest in the company (Figure 44).

Figure 44: Shareholders



Source: AltynGold, CAG Research.

Risks

AltynGold identifies ten principal risks and uncertainties all of which we regard as broadly generic given the characteristics of the business. While the Kazakh institutional framework is bureaucratic and fiscal terms are subject to change, the Kazakh authorities are supportive of the gold mining industry. We expect that AltynGold will be successful in renewing its mining licence at Sekisovskoye and converting the Teren Sai exploration licence into a mining licence, in line with established law and practice, although this will be critical in unlocking the value from the company's large remaining resource base. AltynGold has now established an Environment, Social, and Governance Committee and has recently signed a collaborative research agreement with Hokkaido University which should accelerate the development of more efficient, safer, and less carbon intensive mining operations.

AltynGold identifies ten principal risks and uncertainties all of which we regard as broadly generic for a gold mining company with a single operating asset and single country exposure to Kazakhstan (Figure 45).

Figure 45: Identified risks

#	Identified risk	CAG view
1	Technical mining risk	Generic
2	Failure to achieve production estimates	Generic
3	Fiscal changes in Kazakhstan	Generic
4	Access to capital	Generic
5	Commodity price risk	Generic
6	Inflationary & currency risk	Generic
7	Single country exposure	Generic
8	Single operating asset exposure	Generic
9	Political uncertainty	Generic
10	Health, safety, and environment	Generic

Source: AltynGold, CAG Research.

From an operating perspective, AltynGold now has a well-established history of operations at its Sekisovskoye mine including the full transition to underground mining while the processing expansion was delivered on time and on budget.

Plans for further expansion at Sekisovskoye and the transition from exploration to development at Teren Sai are currently under development and in part linked to access to capital. However, based on our forecasts AltynGold looks set to generate significant operating free cash flow which should help accelerate investment and expand the company's financing options (see Financials) to develop its large resource base (see Reserves and Resources) and accelerate value generation, including doubling production to 100Koz pa.

Kazakhstan has recently proposed to institute a new stepped rate of MET which is expected to apply from 2026 with a maximum applicable rate of 11%. While Kazakhstan has a favourable fiscal system for gold production, this is in keeping with the overall thrust of government policy which is to encourage further development of the mining industry (see Kazakh regulatory and fiscal terms).

Besides the four identified risks of AltynGold's exposure posture to Kazakhstan (fiscal change, inflationary & currency, single country, and political uncertainty) we would also highlight regulatory risk. Mining regulation in Kazakhstan while well established, is bureaucratic in implementation. While

we understand AltynGold is in compliance with its obligations and has a reputation as a good operator locally, it will need to agree extensions to its mining licence for Sekisovskoye and a production licence for Teren Sai with the MIC (see Kazakh regulatory and fiscal terms).

With respect to HSE matters and climate change, AltynGold has now established an Environment, Social, and Governance Committee (see Structure, management, and shareholders). The company has also reviewed the principal risks associated with climate change and sustainability and is aiming to establish its metrics and targets to fully comply with the Climate Related Financial Disclosure (CFD) and Task Force on Climate-Related Financial Disclosures (TCFD) within 12-18 months. The company reports its Scope 1 and Scope 2 emissions and aims to report Scope 3 emissions from 2025.

In June 2025, AltynGold signed a collaborative research agreement with Hokkaido University of Japan under the Next-Generation Smart Mining+ for Sustainable Resource Development Programme in conjunction with the Nazarbayev University in Astana. This programme should accelerate the development and adoption of more sustainable, efficient, safer, and less carbon intensive mining operations.

Besides the identified risks, potential investors will observe that the company is not in compliance with the Code and has a controlling shareholder, AGold Mining Group, which holds a 65.5% interest in the company and whose Chairman and two of its EDs are members of the Assaubayev family which controls AGold Mining Group. As flagged, there is a relationship agreement in place as part of AltynGold's governance (see Structure, management, and shareholders). We would also note that the company has thrived under the existing ownership and management structure while the total remuneration of the Chairman and EDs in 2024 was a very modest US$173k (2023 US$167k).

Summary financial statements

December year end, US$m	FY23A	FY24A	FY25E	FY26E	FY27E
Gold sold (oz)	32,765	38,708	53,314	55,799	55,799
Realised gold price (US$/oz)	1,967	2,441	3,300	3,300	3,300
Profit & Loss					
Revenue	64.4	96.5	175.9	184.1	184.1
Cost of sales	(41.1)	(47.5)	(69.7)	(78.1)	(78.4)
Gross profit	**23.3**	**49.1**	**106.2**	**106.0**	**105.8**
Administrative expenses	(7.0)	(6.6)	(7.0)	(7.0)	(7.0)
Impairments	(0.4)	(0.1)	0.0	0.0	0.0
Operating profit	**15.9**	**42.4**	**99.2**	**99.0**	**98.8**
Net finance expense	(4.3)	(5.7)	(4.5)	(2.5)	(1.2)
FX	0.3	(6.4)	(0.3)	0.0	0.0
Profit before tax	**11.9**	**30.4**	**94.4**	**96.5**	**97.6**
Tax expense	(0.5)	(3.9)	(18.9)	(19.3)	(19.5)
Net profit	**11.3**	**26.4**	**75.5**	**77.2**	**78.1**
Basic EPS (USc)	41.5	96.7	276.3	282.6	285.7
Diluted EPS (USc)	41.5	96.7	276.3	282.6	285.7

Source: AltynGold, CAG Research.

Summary financial statements (cont)

December year end, US$m	FY23A	FY24A	FY25E	FY26E	FY27E
Cash flow					
Profit before tax	11.9	30.4	94.4	96.5	97.6
Net finance	3.6	4.7	3.5	1.6	0.4
Unwinding of discount	0.7	1.0	1.0	0.9	0.8
Depreciation and amortisation	7.0	9.0	11.5	14.0	14.2
Provision (reversal)/provision	0.4	0.1	0.1	0.1	0.1
Disposal (gain)/loss	0.0	0.1	0.0	0.0	0.0
FX	(0.3)	6.4	0.3	0.0	0.0
Share-based payments	0.0	0.0	0.0	0.0	0.0
Operating cash flow before working capital	**23.4**	**51.6**	**110.9**	**113.1**	**113.1**
Delta working capital	(8.7)	(20.5)	4.0	3.0	2.0
Cash generated from operations	**14.7**	**31.1**	**114.9**	**116.1**	**115.1**
Tax received/(paid)	0.0	(1.7)	(9.4)	(14.5)	(17.6)
Net cash inflow from operating activities	**14.7**	**29.4**	**105.4**	**101.6**	**97.5**
Interest received	0.0	0.4	0.0	0.0	0.0
Purchase of PP&E	(40.2)	(17.9)	(27.0)	(15.0)	(14.0)
Purchase of intangibles	(0.8)	(4.0)	(5.0)	(0.7)	(0.7)
Other investment	0.0	0.0	0.0	0.0	0.0
Net cash invested	**(40.9)**	**(21.5)**	**(32.0)**	**(15.7)**	**(14.7)**
Interest paid	(3.2)	(4.8)	(3.5)	(1.6)	(0.4)
Proceeds from borrowings	51.5	22.4			
Repayment of borrowings	(16.6)	(20.4)			
Net share issuance	0.0	0.0	0.0	0.0	0.0
Commission paid	0.0	0.0	0.0	0.0	0.0
Net cash from financing activities	**31.7**	**(2.9)**	**(3.5)**	**(1.6)**	**(0.4)**
Implied delta net debt (IAS 17)	**29.5**	**(3.1)**	**(69.9)**	**(84.4)**	**(82.4)**
Summary balance sheet					
Total non-current assets	104.1	102.3	120.7	120.4	118.9
Net assets	70.7	82.2	157.7	234.9	313.0
Total equity	70.7	82.2	157.7	234.9	313.0
Net (cash)/debt	**53.0**	**49.7**	**(20.1)**	**(104.5)**	**(187.0)**

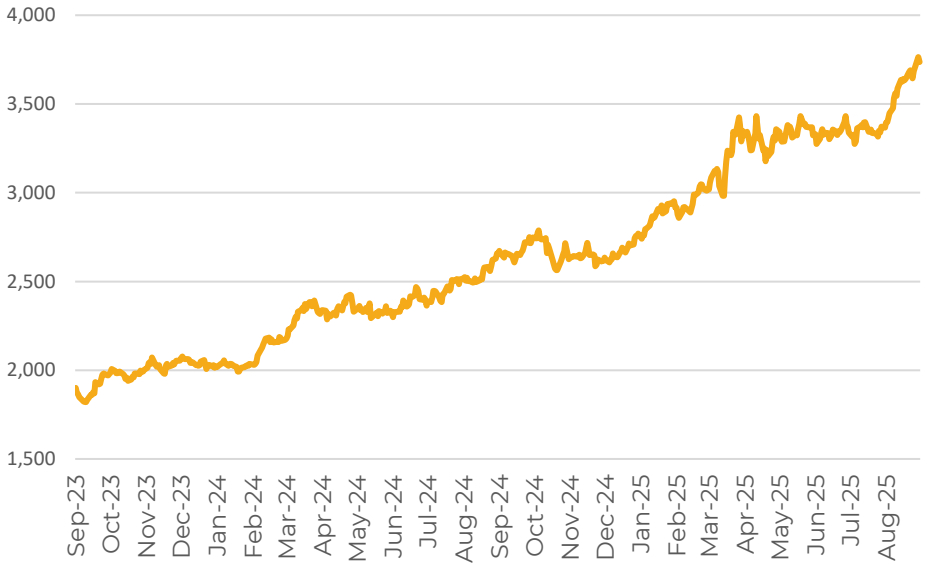
Source: AltynGold, CAG Research.

Gold market

Gold has recently touched all-time highs and is now trading above US$3,800/oz. Many factors likely account for current pricing, but we believe it is primarily associated with demand for gold as a financial asset, particularly the growth in buying by central banks. Mined gold production is broadly stable, and any supply side reaction would likely take time. However, this does represent an opportunity for AltynGold given its large undeveloped, low-cost gold resource base. Most of the factors supporting demand for gold as a financial asset look likely to remain positive.

The gold price has been on a tear since the end of 2003 when it broke decisively above the US$2,000/oz mark and recently touched all-time highs in both nominal (Figure 46) and inflation adjusted terms.

Figure 46: Gold price (US$/oz)



Source: Bloomberg, CAG Research.

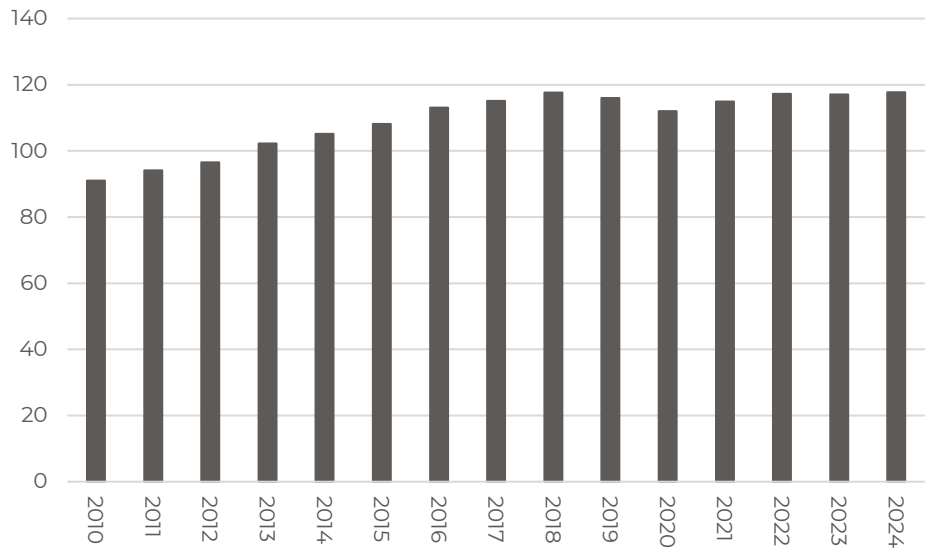
Many factors for this strength have been cited, speaking to gold's traditional role as a financial asset of being a store of value, inflation hedge, safe-haven asset, and source of asset diversification, in addition to traditional demand for use in jewellery and in electronics.

US trade policy and diplomatic thrust under President Trump has enhanced some of the attractions of gold as a financial asset, including a weakening dollar, a reduction in real interest rates, and friction with major partners, particularly China, which may be more actively seeking to diversify away from American financial assets. Speculation may also have played a part, although futures and options positions do not suggest an unusually strong net speculative long position.

The gold market is large and liquid, characterised by scarcity but with diverse supply while the metal itself is nearly indestructible, meaning it can be recycled indefinitely.

Mined gold, which accounts for about three-quarters of global supply, has remained reasonably steady with recycled gold making up the balance of supply (Figure 47).

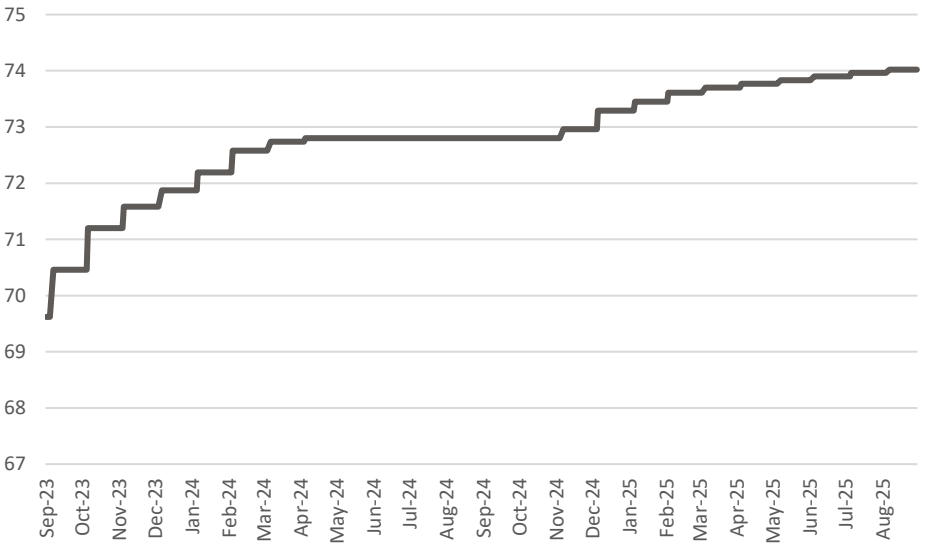
Figure 47: Mined gold production (Moz)



Source: World Gold Council, CAG Research.

The most notable change in demand since pre-Covid is the growth in demand from Central Banks which has nearly doubled, accounting for 24% of demand in 2024 with jewellery at 44%, technology at 7% and investment at 26% making up the balance. In that context it is notable that demand from China's central bank has been increasing sharply (Figure 48) and is likely to be a key factor in current price formation.

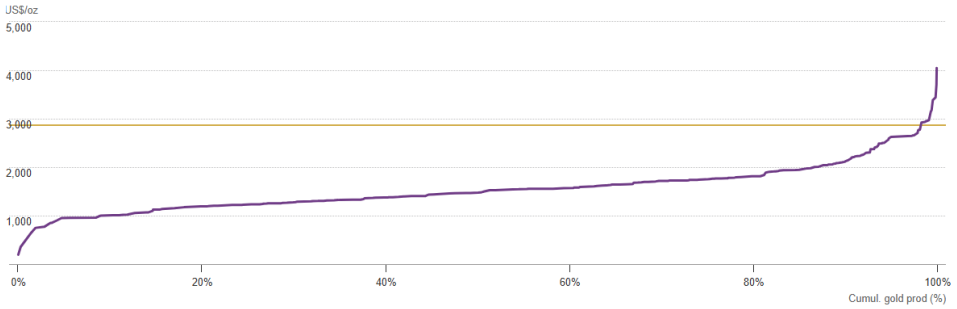
Figure 48: People's Bank of China gold reserves (Moz)



Source: Bloomberg, PBoC, CAG Research.

While Figure 47 shows mined gold supply is fairly steady, if current prices come to be seen as indicative of a significantly higher price level than in the past, that is likely to encourage investment which could increase mined output. However, that will take time and we were already quite well to the right of the global supply cost curve even at the end of 2023 (Figure 49).

Figure 49: Global supply cost[1] curve at 1Q25



Source: World Gold Council, CAG Research. 1) All In Sustaining Cost curve.

Nevertheless, that does highlight the opportunity for a company like AltynGold which has large undeveloped, low-cost gold Reserves and Resources.

In our modelling, we do not seek to take a strong view on gold price formation. However, given the pace at which the price has risen and the record level it is at, any view on direction up or down or including a continuation of the current level is freighted with meaning. However, we do believe that most of the price pressure is related to demand for gold as a financial asset with most of the related factors, including central bank demand, most likely supportive. In that context we have assumed a US$3,300/oz average price for 2025 broadly consistent with the YtD average and the current price held flat to the end of the year. However, we have taken a more conservative assumption to hold our 2025 pricing assumption flat prospectively.

Kazakh regulatory structure and fiscal terms

Development of the mining industry is a priority for the Kazakh government. The industry is now regulated by the Ministry of Industry and Construction. Kazakhstan's attractiveness as a destination for mining investment continues to improve although concerns around bureaucracy and transparency remain. Reporting of Resources and Reserves is to international standards for new discoveries. Taxation of gold mining is comparatively favourable and is expected to remain so on transition to a banded MET system in 2026 with a peak rate of 11% and a 20% corporation tax rate.

Gold mining in Kazakhstan is regulated by the 2018 Code on Subsoil and Subsoil Use which separates the regulation of solid minerals from hydrocarbons and uranium mining.

The intent of the new code is to encourage mining activity and development, and further development of the industry remains a government priority.

The Ministry of Industry and Construction (MIC) which succeeded the Ministry of Industry and Infrastructure in 2023, is charged with oversight of the mining industry.

A key improvement of the new Code was the introduction of the 'first-come-first-served' principle for granting mining permits. However, frequent changes in personnel and friction with other parts of the institutional framework, most notably the Program for the Management of the State Subsoil Fund together with state ownership positions in the industry, mean the system is considered bureaucratic and lacking in transparency. Nevertheless, the MIC has now launched an online licensing system and the National Geological Survey, created in 2021, continues to progress the digitisation and centralisation of geological data.

According to the latest Fraser Institute survey, Kazakhstan's attractiveness as a destination for mining investment improved to 43 (of 82) in 2024 from 79 (of 86) in 2023 and the perception of government policy toward the industry also continues to improve.

For official purposes, gold Resources and Reserves in Kazakhstan are reported under the Kazakhstan Code for Public Reporting of Exploration Results, Mineral Resources and Mineral Reserves (KAZRC). Historic deposits are measured under the soviet legacy system, but new discoveries are classified in accordance with internationally accepted CRIRSCO standards (Committee for Mineral Reserves International Reporting Standards),

Taxation of gold mining in Kazakhstan is comparatively favourable with MET charged at 7.5% applied to contained gold in the ore produced and corporation tax at 20%, the general rate applicable in the country. The government has recently passed legislation to introduce a new stepped rate of MET triggered at given gold price levels and applying on a block basis. That is to say that the triggering of a higher or lower rate will apply at that level for the relevant quarterly period to all production in that period once the rate is triggered. At our US$3,300/oz price assumption the new MET rate is 9% with a 10% rate applying between US$3,600/oz-US$3,800/oz) and a maximum rate of 11% thereafter.

JORC definitions

Based on the principals of transparency, materiality, and competence, the JORC Code sets out a framework for classifying tonnage and grade estimates to reflect different levels of geological confidence and different degrees of technical and economic evaluation in defined terms. The results of the CPRs published by AltynGold on Sekisovskoye and Teren Sai in 2019 were prepared in accordance with the JORC Code.

The results of the CPRs published on Sekisovskoye and Teren Sai (see Reserves and Resources) were prepared in accordance with The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). The JORC Code is one of a family of codes recognised to comply with CRIRSCO guidelines (see Kazakh regulatory structure and fiscal terms).

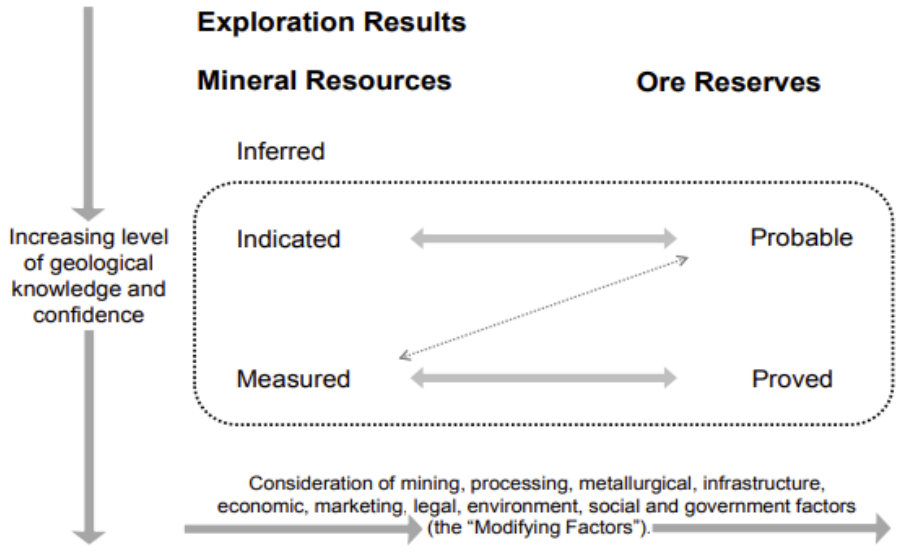
The JORC Code provides a mandatory system for the classification of minerals according to the levels of confidence in geological knowledge and technical and economic considerations in regulatory public reports.

The current JORC Code was published in 2012 but is in the process of undergoing revision.

The principles governing the application of the JORC Code are transparency, materiality, and competence. Under these principles it is intended that sufficient clear and unambiguous information, including all relevant information, prepared by a sufficiently qualified Competent Person subject to an enforceable professional code of ethics, is provided to enable a reader of the report to make reasoned and balanced judgements regarding the disclosed estimates.

The JORC Code sets out the terms which may be used in describing the ore body, representing a framework for classifying tonnage and grade estimates to reflect different levels of geological confidence and different degrees of technical and economic evaluation (Figure 50).

Figure 50: JORC Code framework



Source: JORC, CAG Research.

The key terms are described below:

1. A ‘Mineral Resource’ is a concentration or occurrence of solid material of economic interest in or on the Earth’s crust in such form, grade (or quality), and quantity that there are reasonable (more likely than not) prospects for eventual economic extraction. A ‘Mineral Resource’ cannot be estimated in the absence of sampling information.
    a. An ‘Inferred Mineral Resource’ is that part of a ‘Mineral Resource’ for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. As an ‘Inferred Mineral Resource’ has a lower level of confidence than ‘Indicated’ or ‘Measured Resource’, it must not be converted to ‘Ore Reserve’. It is reasonably expected that the majority of ‘Inferred Mineral Resources’ could be upgraded to ‘Indicated Mineral Resources’ with continued exploration.
    b. An ‘Indicated Mineral Resource’ is that part of a ‘Mineral Resource’ for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of ‘Modifying Factors’ in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. An ‘Indicated Mineral Resource’ has a lower level of confidence than that applying to a ‘Measured Mineral Resource’ and may only be converted to a ‘Probable Ore Reserve’.
    c. A ‘Measured Mineral Resource’ is that part of a ‘Mineral Resource’ for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of ‘Modifying Factors’ to support detailed mine planning and final evaluation of the economic viability of the deposit
2. ‘Modifying Factors’ are considerations used to convert ‘Mineral Resources’ to ‘Ore Reserves’. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.
3. An ‘Ore Reserve’ is the economically mineable part of a ‘Measured’ and/or ‘Indicated Mineral Resource’. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of ‘Modifying Factors’. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified.
    a. A ‘Probable Ore Reserve’ is the economically mineable part of an ‘Indicated’, and in some circumstances, a ‘Measured Mineral Resource’. The confidence in the ‘Modifying Factors’ applying to a ‘Probable Ore Reserve’ is lower than that applying to a ‘Proved Ore Reserve’.
    b. A ‘Proved Ore Reserve’ is the economically mineable part of a ‘Measured Mineral Resource’. A ‘Proved Ore Reserve’ implies a high degree of confidence in the ‘Modifying Factors’.
4. ‘Exploration Results’ include data and information generated by mineral exploration programmes that might be of use to investors, but which do not form part of a declaration of ‘Mineral Resources’ or ‘Ore Reserves’.

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