



Research Report (Initial Coverage)

FIRST TIN PLC



**Two new low capex tin mines in Germany and Australia.
ESG compliant. High valuation upside.**

**DFS studies by the end of 2023.
Investment decisions by Q1 2024.**

Target price: £ 0.50 (€ 0.57)

Rating: Buy

IMPORTANT NOTE:

Please note the disclaimer/risk warning
as well as the disclosure of possible conflicts of interest in accordance with § 85 WpHG and Art. 20 MAR from page 43

Note in accordance with MiFID II regulation for research "Minor non-monetary benefits": The research in question meets the requirements for classification as "Minor non-monetary benefits". For further information, please refer to the disclosure under "I. Research under MiFID II".

FIRST TIN PLC*5a,11

Rating: BUY

Target price: £ 0.50 (€ 0.57)

Current price: 6.9 GBp

03.04.23 09:48 / LSE

(€ 0.0675 03.04.2023 08:07 /

FRA)

Currency: GBP

1 GBP = 1,1361407Euro

(30 March 2023, 17:08 UTC)

Stock data:

ISIN: GB00BNR45554

WKN: A3CWWW

Stock exchange symbol: 1SN

Number of shares³: 265.53

Marketcap³: 18.32

EnterpriseValue³: -0.53

³ in million / in GBP million

Free float: 53.3%

Market segment:

SSQ3 (LSE)

Freiverkehr (Frankfurt)

Accounting standard:

IFRS

Financial year: 31.12.

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* Catalog of possible conflicts
of interest on page 44

Company profile

Industry: Metals & Mining

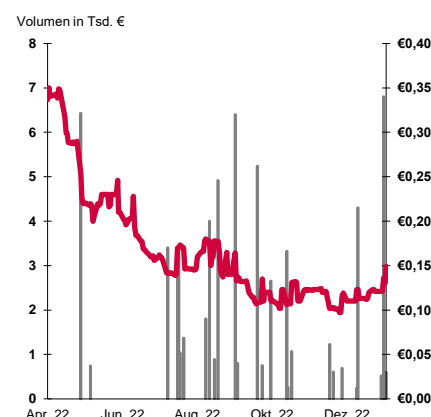
Focus: Tin mining

Employees: 25

Established: 2012

Headquarters: London, UK

Management: Thomas Büniger (CEO), Charles Cannon-Brookes (NEC), Ingo Hofmaier (NED), Catherine Jane Apthorpe (NED), Seamus Ian Cornelius (NED), Nicholas Mather (NED).



First Tin is the perfect combination of competence and dedication to provide a sustainable, ethical, and reliable source of tin in conflict-free, low political risk jurisdictions. Their goal is to support the ongoing global clean energy and technological revolutions while adhering to the philosophy of "leaving no trace" mining.

The company has two advanced exploration projects, one in Germany and one in Australia. The Company is led by a team of well-known tin specialists. Through the rapid development of their high value and low capex projects, the company's primary focus is on achieving its goal of becoming a supplier of tin from mine to market in Europe.

The Company intend to accelerate the normal development timeline by putting their two main assets into production within the next three years, whilst adhering to the most stringent environmental standards in the industry.

With the strong projected increase in demand of over 2% CARG over the next 5 years and a projected deficit in supply, the Company is well positioned to capitalize on this opportunity with planned production start in 2025 from the Tellerhäuser asset in Germany and 2026 for the Taranga asset in Australia.

Financial Calendar

30/05/2023 – Annual report

20/09/2023 – Interim results

**last research from GBC:

Date: Publication / Target price in EUR / Rating

** Research studies listed above can be viewed at www.gbc-ag.de or requested from GBC AG, Halderstr. 27, D86150 Augsburg, Germany.

EXECUTIVE SUMMARY

- **Increasing demand for tin.** Tin is an important material when it comes to the ongoing electrification of the world. At the same time, tin deposits are limited, especially in Europe. Tin is anticipated to endure continuous deficit markets for the foreseeable future due to rising demand and shortages.
- Through the quick development of **high-value, low-capex tin assets in Germany and Australia**, the company is concentrating on becoming a tin supplier in jurisdictions free from war and with low political risk.
- **Two advanced tin projects, Tellerhäuser and Taranga.** Tier 1 jurisdiction (Germany and Australia), DFS underway for both projects.
- **Strong ESG commitment.** Mine to market in Germany. Zero-waste mine objective. Building an ethical and reliable tin supply with low-carbon electricity.
- **Major milestones to be achieved soon.** DFS should be ready for Taranga project by 2023 Year End to be followed by an investment decision. DFS for Tellerhäuser should follow during the first half year of 2024. The company ranked seventh for the project most likely to be built by the International Tin Association.
- **Strong economics.** PFS for Tellerhäuser states a \$49m capex and an IRR of 55%. PFS for Taranga states a \$76m capex with an IRR of 59% @\$30,000/t tin.
- **Growth opportunity.** The company is currently drilling at both project locations for confirmation, extension, and exploration.
- **Strong and extensively experienced team** in the tin market, metallurgical work, and mine-to-supply business model.
- **Based on our DCF model, we have determined a price target of 0.52 GBP per share and a BUY rating.**

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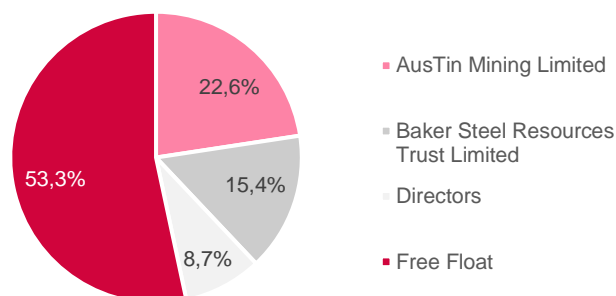
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COMPANY

Shareholder structure

Clara resources Limited	22.6%
Baker Steel Resources Trust Limited	13.998%
Directors	9.48%
Free float	53.92%

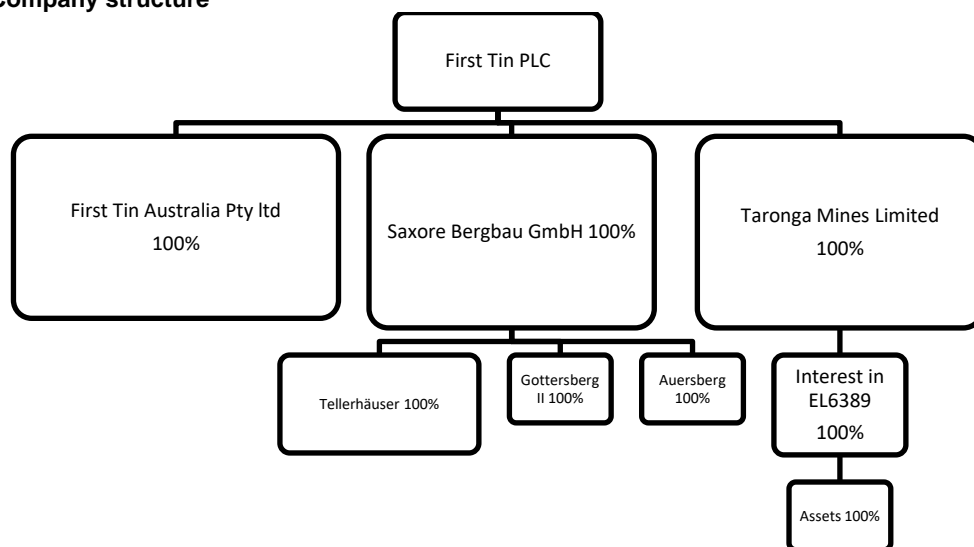
Sources: FIRST TIN PLC; GBC AG



Company structure

First Tin Plc was incorporated in 2012 and is based in London, United Kingdom. First Tin Plc operates as a tin development company in Germany and Australia. The company's flagship assets include the Tellerhäuser Project in Saxony, Germany, and the Taronga Project in New South Wales, Australia. The company is run by German and Australian management who are experienced in both the tin market and mining.

Company structure



Sources: First Tin plc, GBC-AG

The company possesses three assets in Germany Tellerhäuser, Gottesberg, Auersberg and one in Australia, Taronga.

All these assets are 100% owned by First Tin Plc subsidiaries which are in turn 100% owned by First Tin Plc.

Management Team

Dr. Thomas Bünger, CEO

Dr. Thomas Bünger has been the Chief Technology Officer of Aurubis since 2020. Prior to this, he served as the Chief Operating Officer of the company from 2018 to 2020. He served as the Senior Vice President of Operations for Norddeutsche Affinerie. He also worked as Production Engineer in the secondary smelter, as Production Manager in the primary smelter, and as Senior Vice President of Technical Primary Copper for Norddeutsche Affinerie.

Tony Truelove, Technical Director

He is a graduate of the University of Adelaide with First Class Honours majoring in geology. He has over 35 years' experience in the mining industry, the majority within Australia but with several overseas assignments including work in Indonesia, Zimbabwe, China, India, Korea, West Africa, and Germany. He has held senior positions with Shell, Billiton, Newmont, Newcrest, Delta Gold, Indo Gold and was instrumental in the IPO of Southern Cross Goldfields Ltd on the ASX and subsequently served as the Managing Director of that company.

Thomas Kleinsorge, Managing director

Thomas has 35 years of experience in metalliferous and industrial minerals operations and projects in Australia, USA, Canada and Germany, Managing Partner of a mining contracting firm, proven track record in successfully realizing mining projects, Interim-Management and consulting work in various mining companies.

Rob Kidd, GM operations, Taronga

More than 45 years' specialist construction, mining, and operations experience. Owned, built, operated, and sold the Sardine Tin Mine, North Queensland. Worked on Irvinebank tin mine. Holds mine-manager certificates for South Africa, Queensland, and New South Wales. Formerly Managing Director in junior mining.

Charles Cannon-Brookes, Non-Executive Chairman

Founder of Auctus Growth PLC, Charles Cannon-Brookes currently occupies the position of Non-Executive Chairman at First Tin PLC and Investment Director at Arlington Group Asset Management Ltd. He previously held the position of Director & Investment Director at Longships Plc, Research Analyst at Barclays Global Investors Ltd. (UK) and Non-Executive Director at Auctus Growth PLC.

Catherine Apthorne, Non-Executive Director

Catherine Jane Apthorne is on the board of First Tin PLC and Panthera Resources PLC. She was previously Secretary and Commercial Manager at Amara Mining Ltd. and Secretary and Head-Legal at Cambian Group Ltd.

Seamus Ian Cornelius, Non-Executive Director

Seamus Ian Cornelius serves as Non-Executive Chairman of the Board of the company. Mr. Cornelius is a corporate lawyer and former partner of one of Australia's leading international law firms. He has a high degree of expertise in cross-border transactions, particularly in the resources and finance sectors. Mr. Cornelius is currently the Non-Executive Chairman of Buxton Resources Ltd (appointed 29 November 2010), Element 25 Limited (appointed 30 June 2011), and Duketon Mining Ltd (appointed 8 February 2013).

Ingo Hofmaier, Board Member

Ingo Hofmaier is on the board of First Tin PLC and Executive GM-Project & Corporate Finance at SolGold Plc. He previously occupied the position of Commercial Director at Wienerberger AG. Previously, he had worked at London-based investment banking firm

Hannam & Partners, where he was instrumental in building the mining investment banking practice for more than six years. He also funded bulk and base metal mines into production and counted numerous global hedge funds and private equity investors among his clients over the years.

Nicholas Mather, Non-Executive Director

Nicholas Mather is an entrepreneur and businessperson who has founded six companies, among which are: Arrow Energy Pty Ltd., Bow Energy Pty Ltd., and SolGold Plc. He has also been the head of nine different companies. Mr. Mather is also a member of the Australasian Institute of Mining & Metallurgy and is on the board of seven other companies. Mr. Mather graduated in 1979 from the University of Queensland with a B.Sc. (Hons, Geology). Mr. Mather has a special area of experience and expertise in the generation of and entry into undervalued or unrecognized resource exploration opportunities. He has been involved in the junior resource sector at all levels for more than 30 years. In that time, he has been instrumental in the delivery of major resource projects that have resulted in nine corporate takeovers and over five billion dollars to shareholders.

David Foster, Technical Advisor

David Foster is a project development, consulting metallurgist with over 40 years' experience ranging from process design to feasibility studies and process plant operations. Tin experience includes installation of heavy media separation and cassiterite flotation operations and technical review of operations in Australia, Peru and Brazil.

Mark Thompson, Commercial Advisor

Mr. Thompson is an acknowledged tin-market expert, expert witness, and consultant with more than 25 years of experience in resources-sector trading, management, and investment. He was once head of tin trading at Trafigura, and is currently Executive Vice Chairman of Tungsten West, and Non-Executive Director of Meridian Mining.

Business activity

Company history at a glance

Date	Type	Message
27.03.2023	Product-related	Tellerhäuser Permitting Process Update
13.03.2023	Product-related	Tellerhäuser Drilling and DFS Update
27.01.2023	Product-related announcement	Drilling Confirms Southern Extension of Taronga Tin Mineralisation
22.12.2022	Product-related announcement	First Tin plc reports the assay results from the first two drillholes from the drill program in the deep Dreiberg mineralization that was set up with the aim to add indicated to the inferred resources at its Tellerhäuser project
28.11.2022	Regulatory authority – compliance	Taronga Mines Limited receives grant from the NSW government
03.10.2022	Executive/Board change	First Tin plc Announces the appointment of Nicholas Mather as Non-Executive Director
27.09.2022	Earnings call	First Tin Plc, H1 2022 earnings call
21.09.2022	Product-related announcement	First Tin Plc announces drilling commenced at Taronga tin Project, Australia
20.09.2022	Announcement of earnings	First Tin Plc reports earnings results for the half-year ending June 30, 2022
01.09.2022	Product-related announcement	First Tin plc announces positive intercepts from Gottesberg, Germany
11.08.2022	Product-related announcement	First Tin plc commences fully-funded programme of diamond drilling at flagship Tellerhäuser tin deposit in Germany
03.08.2022	Product-related announcement	First Tin Plc commences definitive feasibility study at the Taronga tin deposit in Australia
08.04.2022	Exchanges	IPO completed, first day of trading on the Main Market of the London Stock Exchange under the ticker "1SN"

Sources: FIRST TIN PLC; GBC AG

Business model

A mineral exploration company can be technically defined as all the activities and evaluation necessary before an intelligent decision can be made establishing size, initial flow sheet, and annual output of a new extractive operation. The purpose of mineral exploration is the discovery and acquisition of new mineral deposits amenable to economic extractive operations now or in future. The prime objective of mineral exploration is to find and acquire a maximum number of such economic mineral deposits at a minimum cost and within a minimum time.

From exploration to post-closure timeline



Source: Natural resources Canada

The normal timetable for any exploration company grassroots project from claim-staking to mine-construction investment decision is between 10 to 16 years. The main competitive advantage of First Tin in comparison to their competitors (other tin-mining exploration projects) is a very short timetable to mine-construction investment decision.

First Tin projects



Source: First Tin Plc

In Germany, at Tellerhäuser, the company's main asset is a historical operating mine with all the key infrastructure and changes already in place. The company also has two satellite ore bodies located within trucking distance. In 2018, First Tin received a scoping study for the project with very favorable economics. The Taranga, the Australian project, is located in a tin district. An updated pre-feasibility on the asset was completed in 2014 and updated in 2021 also projecting very positive economics.

Brownfield project equals reduced risk

The Tellerhäuser project and its two satellite bodies, Auersberg and Gottesberg projects are currently in the brownfield's exploration phase. Brownfields exploration can be described as all exploration (regardless of the stage) that is at or immediately around an existing mine site held by the company (not including step-out drilling on the orebody being mined), including the search for satellite orebodies that, if found, would feed an existing mill, or immediately around a project that has been committed to development. The key benefit of a brownfield exploration is the lower level of risk involved. First Tin is exploring an area of known mineral endowment and can piggyback off existing infrastructure, the minimum size threshold for an economic deposit is smaller.

Given that the population of mineral deposit sizes generally follows a log-normal distribution, there are many more small deposits than big deposits. Consequently, brownfields exploration is much more likely to discover a deposit of economic interest. Another reason for the lower risk involved is the amount of data available. In the case of grassroots exploration, there is generally only broad-scale information available on the local geology and the structural setting. There will be few, if any, drill holes in the local area which contain economic mineralization. In contrast, First Tin has access to decades of drilling data and mining operation. This resulted in the company confirming few historical drill holes to build a compliant resource, a huge economy.

First Tin Plc can fast-forward the entire process by relying on previously obtained resources and reserves, mining permits, infrastructure, etc. To get to an investment decision, the company must perform confirmation drilling to render the resource compliant with today's JORC norms, request an environmental permit, assess the old infrastructures, update metallurgic work, and synthesize all these new parameters in a new bankable scoping study that will then be presented to potential financiers.

The Taronga asset is in a tin district but doesn't enjoy the same type of advantages as the project has never been into production. Advanced exploration work has been conducted on the property and a PFS was published. However, First Tin Plc must engage in more drilling, metallurgic work, environmental studies, water studies and many more as seen below.

First Tin 2022-2023 timeline



Source: First Tin Plc

The company timeline is based on bringing both projects to an investment decision readiness as soon as possible. Following the press release of March 13th, the company should publish the DFS for Tellerhäuser in 2024 (6 months deferment caused by the delay of the drilling contractor). For Taronga, the project should reach its final stage by the end of 2023.

Even if simple in theory, the process is very rigorous and will directly impact the economics of the projects. We believe First Tin saved over \$75M in drilling, equipment, permitting, mine working capital and capital expenditure, as well as having accelerated the timeline by at least seven to ten years.

However, there is still a considerable amount of financial effort required to get to the investment decision. Part of it came from the company IPO raise of £20 million in 2022. The prospectus stated that the proceeds would be used in the following fashion: "The Net Proceeds of £18,077,000, comprising the Gross Proceeds of £20,000,000 less Transaction Costs of £1,923,000, will be used to undertake exploration and evaluation activities at each

of the Group's German and Australian exploration and evaluation assets, together with providing the Group with additional working capital."

Gross Proceeds

Item	£
Work programme (including DFS)	5,513,000
Additional discretionary drilling and contingencies	2,983,000
Tellerhäuser expenditure (Germany)	8,496,000
Discretionary drilling programme	1,050,000
Auersberg expenditure (Germany)	1,050,000
Land acquisition and plant purchases	900,000
Work programme (including DFS)	3,917,000
Taronga Mine expenditure (Australia)	4,817,000
General expenses and working capital	2,449,000
General contingency	1,265,000
Net Placing Proceeds	18,077,000

Source: First Tin Plc

The main use of the proceeds is making the Tellerhäuser project ready for a construction decision by mid-2023, with 45% of funds allocation. Taronga will be receiving 24% of the proceeds and exploration on the grassroots Auersberg asset in Germany will get 5%.

With this financing, the company is fully funded until an investment decision can be made at both the Tellerhäuser and the Taronga properties for construction. Even so, we believe the company will not wait until they have an empty war chest before raising money again.

We can foresee the company making a capital raise by Q2/Q3 2023 if the tin market conditions are right. The current rise of the tin price to over \$25,000/ton can most definitely render this scenario highly possible—sooner rather than later.

The Tin International Association keeps tracks of the world's tin projects and lists them according to their probability of being developed.

Tin International Association "Most Likely" development project

Rank	Deposit	Country	Company	Ore (Mt)	%Sn
1	Syrymbet	Kazakhstan	TinOne Mining	90.32	0.39
2	Manono	DRC	AVZ minerals	400.00	0.07
3	Cinovec	Czech Republic	European Metals	695.90	0.04
4	Deputastskoe	Russia	GOK Deputasky	22.25	1.15
5	Pyrkakaysky	Russia	Sligdar – Rusolovo	91.69	0.26
6	Tigrinoe	Russia		155.08	0.12
7	First Tin Plc	Germany/Australia	First Tin Plc	48.00	0.30

Sources: ITA, GBC-AG

First Tin is ranked 7th amongst all tin projects. Their projects average grades are significantly higher than most but their reserves are currently smaller. When we analyze this ranking, most of the projects come from geopolitical sensible regions. First Tin, with its assets in Germany and Australia are located near the end user. They have the shortest mine to market solution. We believe the result in supply chain efficiency and their presence on the German soil are unique arguments that increase drastically the probability of these projects to bear fruits. End user scrutiny and demand for full trackability are making First Tin a prime supplier for the EU market. Regarding the resource size, the drilling currently underway at both projects (including satellites orebodies for Tellerhäuser) could significantly increase the total amount of ore.

PROJECTS IN GERMANY

Tellerhäuser, Gottesberg and Auersberg

Project location

The Tellerhäuser project is located in southeastern Germany, in the province of Saxony. The exploration and mining licenses are adjacent to the Czech Republic border without spilling over it. The assets are located next to the A72 highway.

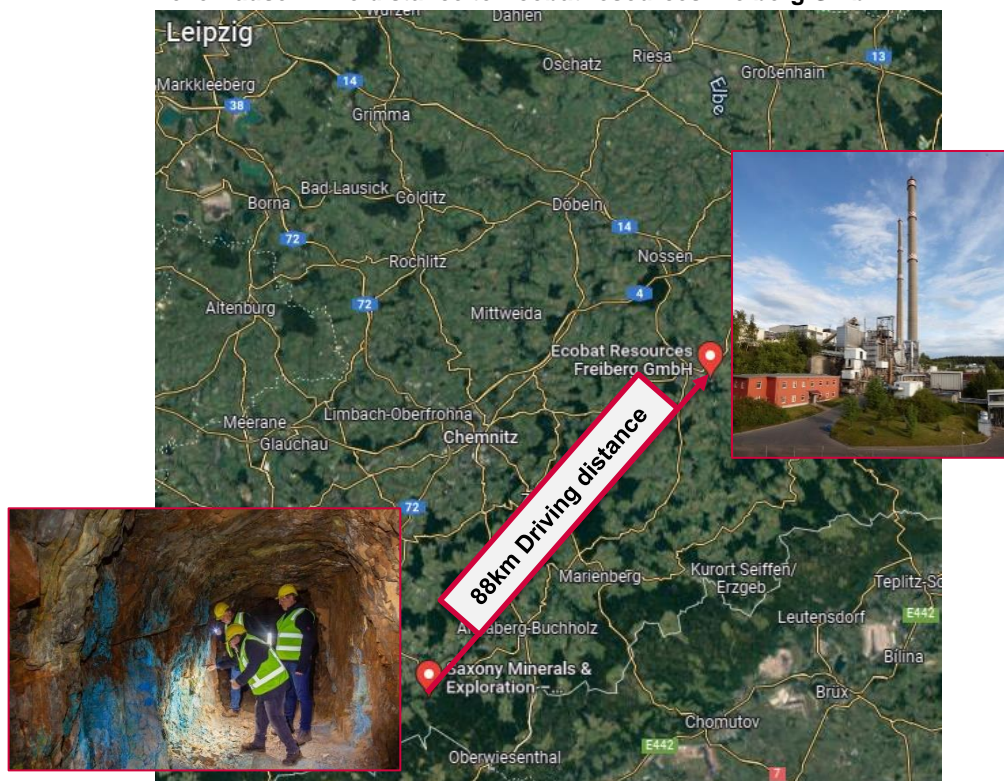
General location of Tellerhäuser



Source: First Tin

It is connected to high-voltage electric lines. Furthermore, First Tin PLC inked an MOU with Ecobat Resources Freiberg, whose smelter is only 88 kilometers away from Tellerhäuser.

Tellerhäuser mine distance to Ecobat resources Freiberg GmbH

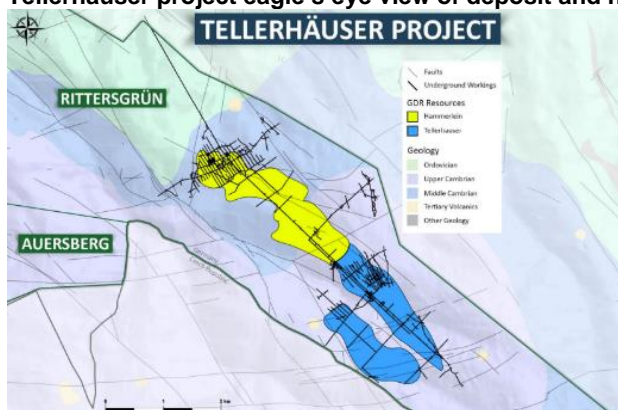


Sources: Google maps, Ecobat Resources Freiberg GmbH, and First Tin Plc

Historical mining

The old Tellerhäuser mine was in production from 1967 to 1991, meaning that all required infrastructure (electricity, roads, etc.) are already present. The mine was developed for a uranium deposit with two deep (max -700m) underground shafts. Commercial mining began in 1983 and a total of 1,200t of uranium was produced until the end of production in 1991. During the uranium mine's life, the mine operators came across the tin deposit and mined less than 2,500t of tin mineralization. The tin deposit is adjacent but not continuous nor does it overlap the uranium deposit. This will allow the company to not inherit the historical environmental liabilities nor to have any sort of radiating ore being mined.

Tellerhäuser project eagle's eye view of deposit and historical mining works



Source: First Tin Plc

The historical mine of Tellerhäuser provides First Tin with over 180 km of underground gallery development, 500m of internal shafts, over 141 km of drill holes and 7.8km of main adits. These underground developments allow the company to save substantial amounts of capex and opex. The pre-existing work are positively impacting the project's economics.

The Gottesberg deposit was mined through artisanal methods with a total of 78,000t of tin ore during two different periods: 1862-1865 and 1937-1953.

The Auersberg deposit also provided minerals from the 13th century all the way to 1945 with several interruptions. Through artisanal mining. Data is too scarce to offer an overview of the tonnage mined.

Licenses

The Tellerhäuser deposit is comprised of one valid mining license: ML2962 and two exploration licenses, EL1681 and EL1708 located directly to the north and east of the historical mine of Tellerhäuser. All claims are continuous.

First Tin Property Licenses, Saxony, Germany



Source: First Tin Plc.

The mining license was issued in compliance with the German Federal Mining Act and is valid until June 30th, 2070. For Auersberg, the EL is valid until September 30th, 2026. The Gottesberg II license is valid until 6th of December 2025. The licenses cover a total area of over 235 km².

Tellerhäuser project

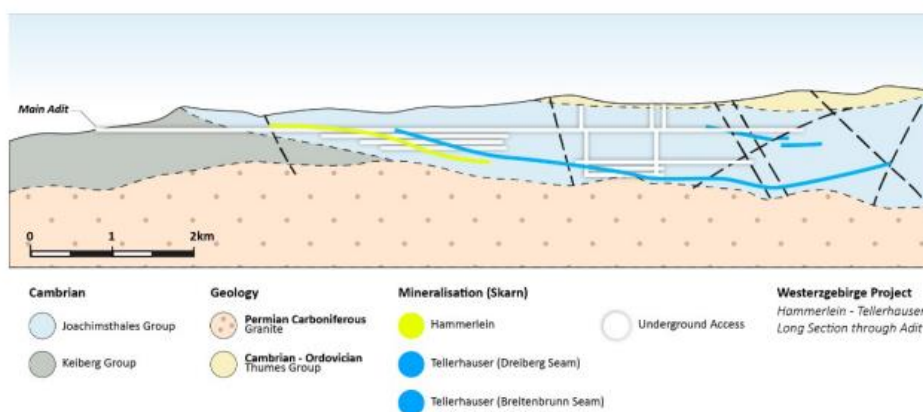
Mineralization and resources

The Tellerhäuser mineralization is located within the northern part of the Bohemian Massif. It lies within Cambrian to Ordovician meta-sediments that are now dominantly schist with several calc-silicate and skarn horizons. These were formed from fine-grained pelitic sediments with limestone interbeds during metamorphism and metasomatism associated with Carboniferous age Variscan orogeny. This orogeny is due to the collision between Gondwana and Laurussia. The latest intrusions (late Carboniferous to early Permian) are classed as “tin granites” and are believed to be the main source of the mineralizing fluids that deposited the tin and associated mineralization in the Erzgebirge district.

There are several phases of mineralization in the Erzgebirge district which may be summarized as:

1. Cambrian to Ordovician syn-sedimentary copper mineralization.
2. Carboniferous to Permian tin, tungsten, and associated metals (zinc-indium-copper-iron) mineralization.
3. Permian “Freiberg style” silver-lead-zinc-indium mineralization.
4. Mesozoic uranium, silver, fluorite-baryte and bismuth-cobalt-nickel (BiCoNi) mineralization¹.

Cross view of Tellerhäuser geology



Source: First Tin Plc

The Tellerhäuser deposit is composed of three main mineralizations: Hammerlein, Dreiberg Seam and Breitenbrunn Seam. All mineralization is contained in the Cambrian Joachimsthal group sandwiched between the Cambrian Ordovician at surface and Permian Carboniferous underneath.

¹ Mine One consultants

Tellerhäuser resource estimate

JORC resource estimate 2012

Classification	Tonnage (Mt)	% Sn (%)	Contained tin (t)
Indicated	2.0	1.0	19,000
Inferred	3.3	1.0	34,000
Total	5.3	1.0	53,000

Source: First Tin Plc

Tellerhäuser Metallurgy

The Tellerhäuser cassiterites processing flowsheet includes crushing, sorting, grinding, magnetic separation, sulfide flotation, gravity concentration, and flotation.

XRT sorting would be done in a single stage with coarse and fine XRT sorters. This would help reduce the dilution ratio and increase the concentrate grade.

For magnetic separation, twin rougher WHIMS would be utilized, with regrinding of the WHIMS tails and WHIMS at lower gauss. Tailings from regrinding would be floated with sulfide to obtain a bulk Zn-Cu-In concentrate.

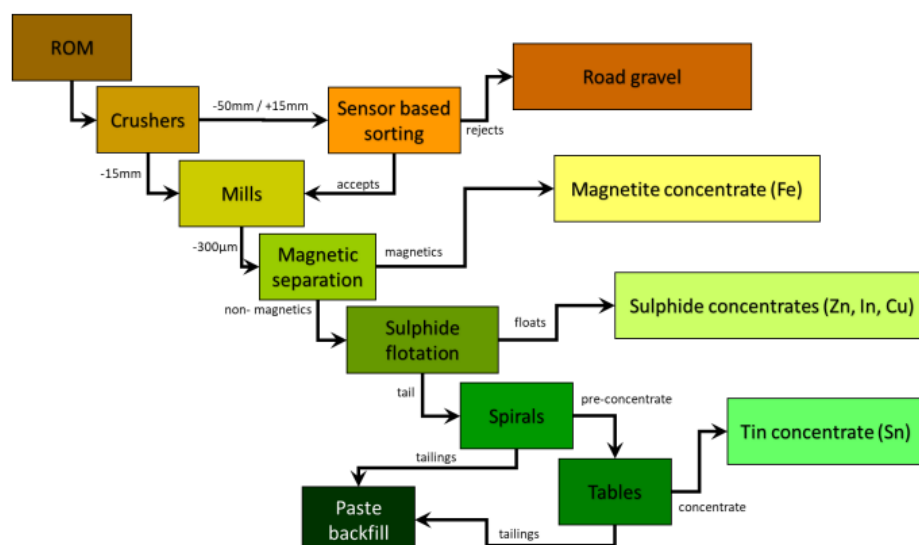
Sulfide flotation tails would be treated to coarse gravity separation, followed by fine cassiterite flotation and fine gravity concentration to generate a final tin concentrate.

Coarse gravity tails would be reground, processed by LIMS, and reintroduced into the gravity circuit.

The final concentrations would be held in tanks before being pumped to the surface to be filtered and disposed of in shipping containers.

The final tailings would be thickened and blended before being pumped into disposal stopes.

Conceptual Tellerhäuser flow sheet



Source: First Tin Plc

The flowsheet evaluates recoveries of 75% Sn to a 50% Sn concentrate, 60% Zn to a 45% Zn concentrate containing 400 g/t In at 80% recovery, and 15% Fe₂O₃ to a 60% Fe concentrate. Additionally, 85% of the Indium present is also recovered.

Tellerhäuser concentrates and recoveries results

Commodity	Recovery (%)	Concentrates (%)	Tons per year
Tin (Sn)	75	50	6.70
Zinc (Zn)	60	45	7.70
Magnetite (Fe₂O₃)	15	60	14.00
Indium (In)	85		17.2

Source: First Tin PLC

Scoping study report

The company received the results of their pre-feasibility study for the Tellerhäuser project in June 2018. The report was based on the latest JORC compliant resource estimates (2012) and metallurgical results as follows.

Scoping study results highlights

	Tin base price (\$25,000/t)
Capex	\$49m
Mine life	11 years
Processed tons	500,000 ROM tpa
Cash costs	12.203/t
IRR	43%
Project after-tax NPV5%	\$173m
Pay-back period	Under 2 years

Sources: First Tin PLC, GBC-AG

The scoping study showed very positive economics with a very small capex. An IRR of 43% @\$25,000/t, which is under the current market price. The project has a high sensibility to tin prices with a potential IRR of 58% @\$30,000/t. The cash cost of \$12,203/t makes this asset tier one regarding production costs.

The CAPEX is very modest for an underground mine because the shafts, the mine development, galleries, and underground infrastructure are already in place. This leads to very high IRR that is very attractive for financiers as it is very rare to obtain such high IRR in developed countries with a mining project.

The combination of a low capex and high after-tax NPV are key elements that could lead to advantageous financing with around 40% equity and 60% debt.

The latest pre-feasibility report also contained the following recommendations that the company has already, for most, completed.

- Extensive sampling of drill cores for a representative sample, and variability samples. - Ongoing
- Testing of a life-of-mine composite of representative grade to the full separation process. - Ongoing
- Flotation and gravity concentration flowsheet envisaged - Completed
- Optimization of flotation work for Zn, Cu and In recovery to saleable concentrates. – Ongoing
- Optimization of flotation and concentrate dressing to prove Sn recovery to saleable concentrates - Ongoing
- Assay Sn concentrate for trace elements to determine if any smelter penalty elements are contained - Ongoing

- Carry out variability tests on drill core samples from across the ore body - Ongoing

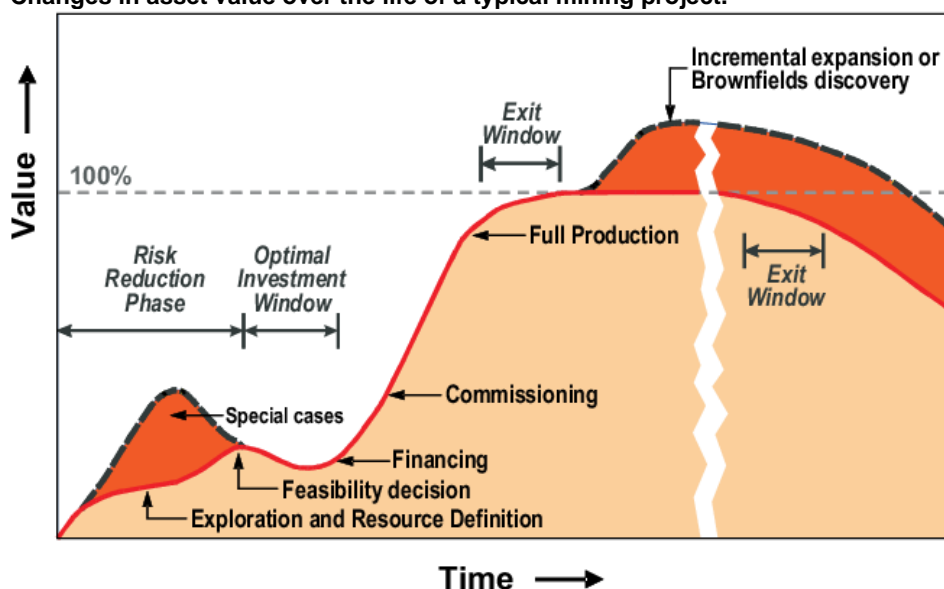
Tellerhäuser upcoming updates

- DFS at Tellerhäuser expected Q3 2024 (ongoing)
- EIA potential for fast-tracking permitting– decision expected in 2023 (ongoing)
- Exploration drilling at Gottesberg (completed)
- Exploration drilling at Gottesberg results (ongoing)

Tellerhäuser satellite orebody

First Tin is currently doing exploration drilling on the two Tellerhäuser satellite orebodies, Gottesberg II and Auersberg. This exploration could lead to significant increases in resources and Tellerhäuser's long-term value.

Changes in asset value over the life of a typical mining project.



Source: TH Whiting and RC Sschoode

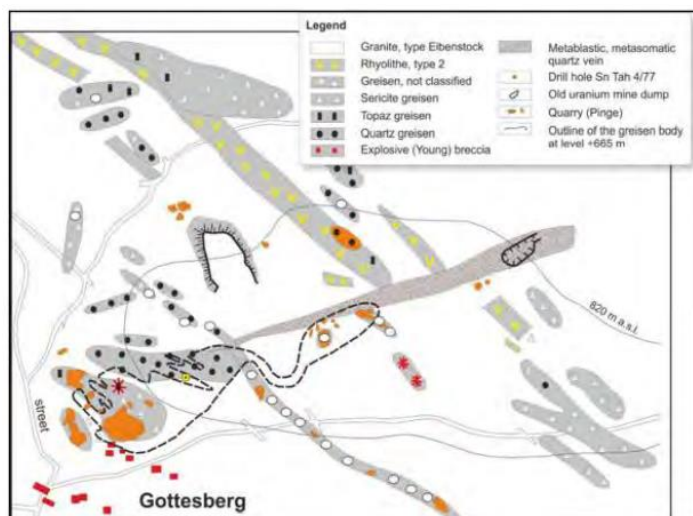
By adding incremental expansion, the Tellerhäuser project could stay in production much longer than anticipated for minimal capex expenditures, leading to higher IRR (internal rate of return). It also delays the mine site reclamation and closure process which consequently leads to higher DFC and equity value for shareholders.

Gottesberg II project

Mineralization and resources

Tin is found in greisen mineralization which occurs in hydrothermally altered granite. In this general sense, the geology of the area is simple. However, when considered in greater detail, the geology is more complex and the complication becomes more apparent at a smaller scale: greisen, greisenised breccias and greisenised granite have all been identified. The Gottesberg greisen is known over a strike length of up to 800m, a width of up to 400m and a vertical extent of about 900m. The current geological model only accounts for minor geological variation inside the greisen because the available drilling data does not allow for a reliable interpretation of this internal variation.

Eagle's eye view of Gottesberg geology



Source: First Tin Plc

However, where data is denser, such as in the three main levels excavated by previous explorers, some significant internal variation is apparent. Tin occurs as cassiterite copper and, in minor amounts, as chalcopryrite, chalcocite and covellite. The Mining One 2012 and 2021 MRE studies identified and modelled three main zones of mineralization within the Gottesberg gneiss. These resulted in the following resources:

Resource estimate for Gottesberg

Classification	Tonnage (Mt)	% Sn (%)	Contained tin (t)
Indicated	2.0	0.48	9,000
Inferred	4.8	0.49	24,000
Indicated + inferred	6.8	0.49	33,000

Sources: First Tin Plc, GBC-AG

First Tin completed their drilling campaign at the Gottesberg deposit, and the company published positive intercepts on September 1st and is expecting more drill results.

Metallurgical work

No historical work done.

Current work

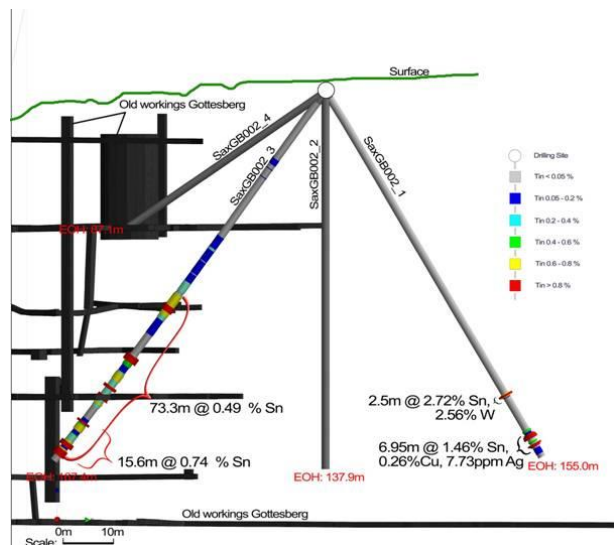
Drilling is ongoing and the company received their first results as published on September 1st, 2022.

"Results from drillholes SaxGB002_1 and SaxGB002_3 have been returned with significant intercepts including:

- 73.3m @ 0.49% tin ("Sn") from 91.7m including 15.6m @ 0.74% Sn from 149.4m
- 2.5m @ 2.72% Sn, 2.56% W from 128.2m followed by
- 6.95m @ 1.46% Sn, 0.26% Cu, 7.7g/t Ag from 143.65m"

These results confirm the deposit resources can be extended and the presence of high concentration mineralization and therefore can add significant value to the project.

Central Cross Section, Gottesberg Prospect, Looking West



Source: First Tin Plc

The results from holes SaxGB00_2 and SaxGB00_4 are expected soon.

Auersberg project – blue sky exploration licence

Mineralization and resources

Sn-W mineralization, mined at Auersberg from the 14th century to the 1960s, lies in metamorphic stockwork- or vein-type (mostly cassiterite-, wolframite- and sulfide-bearing) greisen bodies as well as vein type complex mineralization. The greisen bodies and numerous granite-porphyry zones are interpreted as the uppermost apophyses of a stockwork-like granite-porphyry intrusion with limited outcrop at the surface. These are classic characteristics for the Erzgebirge mineral deposits (e.g., Krupka, Altenberg, Sadisdorf, Greifensteine, Gottesberg).

Numerous known small and/or low-grade tin deposits (not reportable as resources under JORC or NI43-101 guidelines) exist within the lease: Eibenstock-Sosa greisen veins 2.3Mt @ 0.26% Sn (6,000t tin) Auersberg-Wildenthal Greisen Veins 10.8Mt @ 0.3% Sn (32,400t tin) Sauschwemme Alluvial/Eluvial 6.5Mt @ 0.04% Sn (2,400t tin).

Metallurgical work

No metallurgical sampling or test work for Auersberg has been done until now. This deposit will still need more exploration work before even beginning metallurgical work.

Project tenement schedule

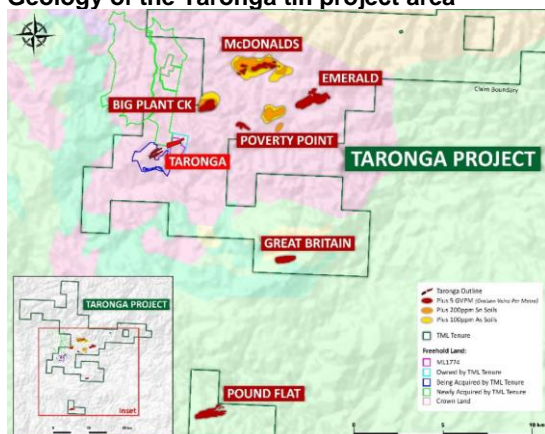
Tenement	Tenement No	Beneficial Ownership	No of Units ¹	Approximate Area	Expiry
Mining Lease	ML1774	100%	n/a	76.5 hectares	21 Dec 2029
Exploration Licences	EL7800	100%	36	108 sq km	4 Jul 2025
	EL7801	100%	4	12 sq km	4 Jul 2024
	EL8335	100%	56	168 sq km	5 Jan 2024
	EL8407	100%	17	51 sq km	4 Nov 2023

Source: Mining One

Mineralization and resources

EL7800 covers the central portion of the Triassic Mole granite, part of the metamorphosed Torrington roof pendant and an area of conglomerate, siltstone and basalt of the Permian Bodonga Beds that lie between the Mole granite and the Taronga tin deposit. Quaternary alluvium and tertiary basalt obscure the older rocks in places.

Geology of the Taronga tin project area



Source: First Tin

EL7801, **EL8335** and **EL8407** lie to the south of the outcrop of the Mole granite. Conglomerate, siltstone and basalt of the Permian Bodonga beds and Permian Emmaville volcanic rocks, part of the Permian Wandsworth group, occur at surface over the licenses. The geological setting of the tin and other hydrothermal mineral deposits in the Taronga tin project is a typical geological setting for the major hard rock tin deposits in Eastern Australia, for example, those at Renison Bell, Cleveland and Mt Bischoff in Tasmania, at Ardlethan in NSW and at Mt Garnet in Queensland².

The element tin (Sn), which can be found as the mineral cassiterite (SnO₂), is the primary focus of attention in the Taronga project. The only source of tin that is currently mined in Australia is cassiterite, which is also the traditional source of tin that is mined around the world.

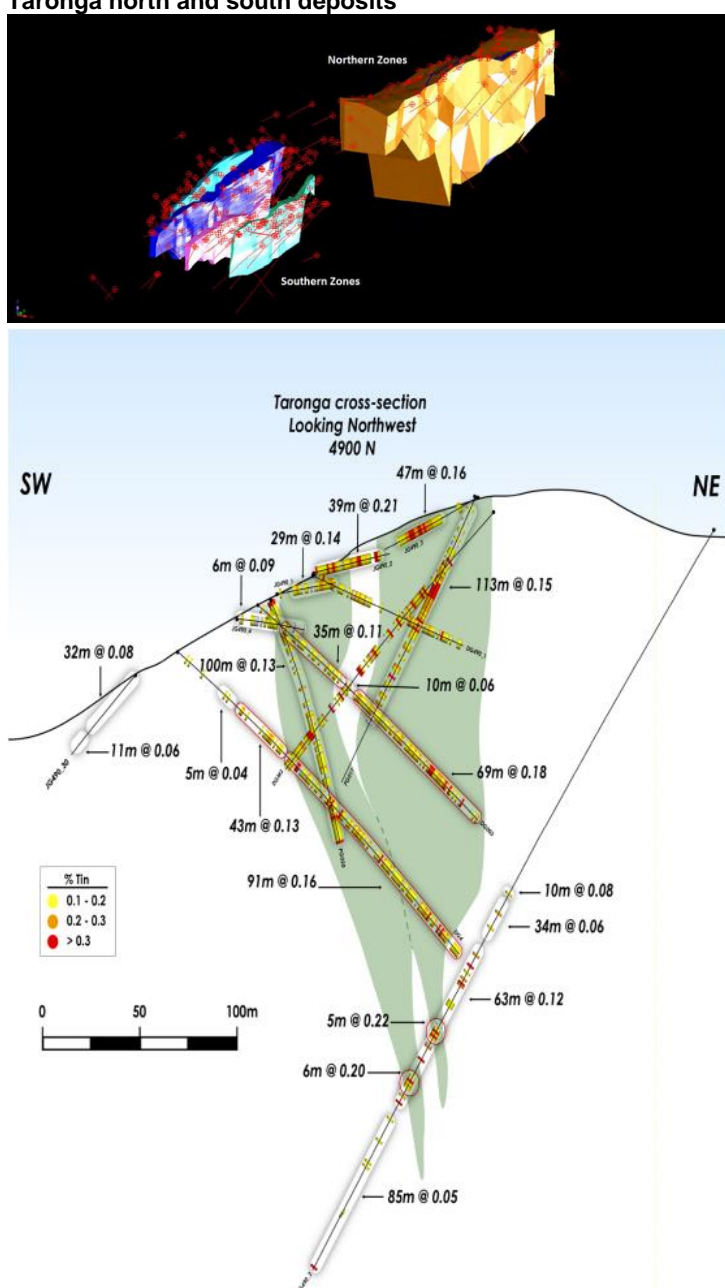
There is an occurrence of sheeted quartz veins carrying cassiterite that is known as the Taronga tin deposit. A vein is an occurrence of rock that is intruded into a larger rock mass by hydrothermal fluids. Veins are more or less regular in length, thickness, and depth, but

² MiningOne Consultants

their width is relatively narrow in comparison to the other dimensions. The vein thickness can range anywhere from millimeters to meters. Veins can be found singularly, in multiples, as sheeted veins in certain locations, or as stockworks, which are concentrations of small veins that interpenetrate and connect with one another. The Taronga tin project typically consists of quartz for the most part in its veins.

In the Taronga tin deposit, tin can be found in the form of cassiterite in sheeted quartz veins that are located within an anticlinal structure that is aligned to the northeast. The deposit has been divided into two major zones, which are referred to as the Northern Zone and the Southern Zone respectively. The Northern Zone is made up of a large, more, or less intensively mineralized zone of sheeted veins that stretches for 500 meters in a direction parallel to strike, up to 125 meters in a direction perpendicular to strike, and 300 meters down dip.

Taronga north and south deposits



Source: First Tin Plc

Tin mineralization can be found in the Southern Zone in the form of four en-echelon zones that plunge in a vertical to sub-vertical direction. The zones extend over a distance of 800 meters in the strike (north-south) direction and 350 meters in the strike (east-west) direction (east-west). The individual zones can be as wide as 50 meters from east to west and can extend down dip for as far as 250 meters (vertical). Tin, copper, and silver are also carried by the mineralization in addition to tin.

These two deposits represent In the Taronga tin deposit, tin can be found in the form of cassiterite in sheeted quartz veins that are located within an anticlinal structure that is aligned to the northeast. The deposit has been divided into two major zones, which are referred to as the Northern Zone and the Southern Zone respectively. The Northern Zone is made up of a large, more, or less intensively mineralized zone of sheeted veins that stretches for 500 meters in a direction parallel to strike, up to 125 meters in a direction perpendicular to strike, and 300 meters down dip.

JORC resource estimate 2012 from both the north and south deposit

Category	MT	Assay (% SN)	Contained metal (tons)
Indicated	26.9	0.17	45,200
Inferred	9.4	1.13	12,000
Total	36.3	0.16	57,200

Sources: First Tin, GBC-AG

2021 Taronga updated valuation

Mining One Consultants had conducted an update valuation on the Taronga project from the Preliminary Feasibility Study (PFS) completed in 2014. They updated the exchange rate and applied escalation costs. A tin price of \$25,000/t was used in the update. The resulting NPV8 is \$90.4M with a 37.9% IRR from a capex of US\$76M.

Pre-feasibility results highlights

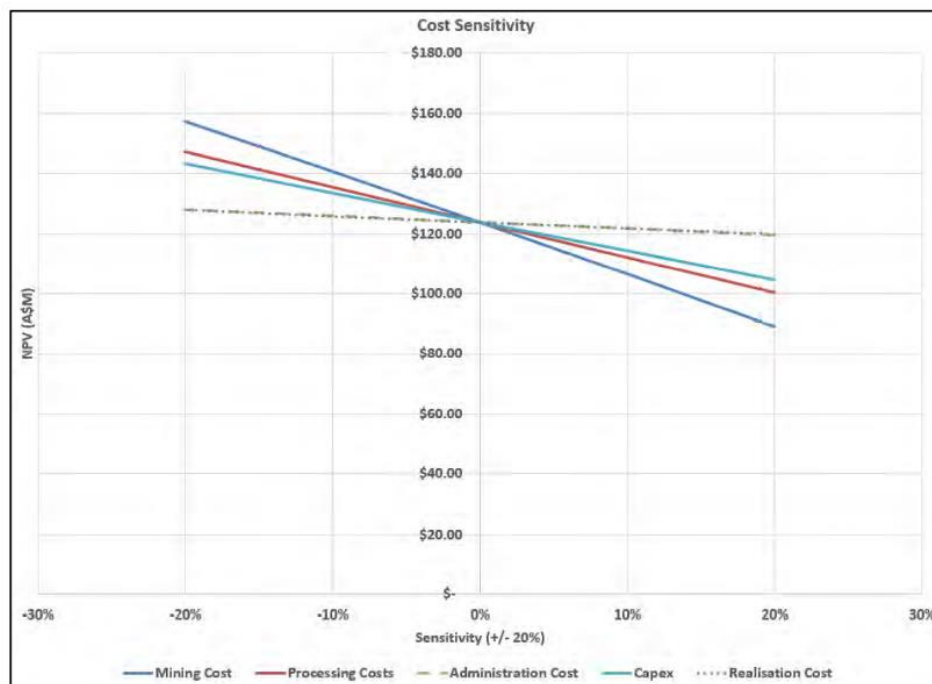
	Tin base price (\$25,000/t)
Capex	\$76m
Mine life	9 years
Processed tons	2.5 Mtpa
Cash costs	14.303/t
IRR	37.9%
Project after-tax NPV8%	\$90.4m
Pay-back period	2 years

Sources: First Tin PLC, GBC-AG

Sensitivity

Mining One Consultants has identified the main sensitivity items, apart from commodity prices, to be project costs. Regarding the projects costs, we can foresee an increase in costs all across the board for the definitive study. However, these costs can be counter-balanced with the by products credits, the more efficient mining methods, and the overall metallurgic enhanced methods.

Sensitivity of estimated NPV to changes in costs

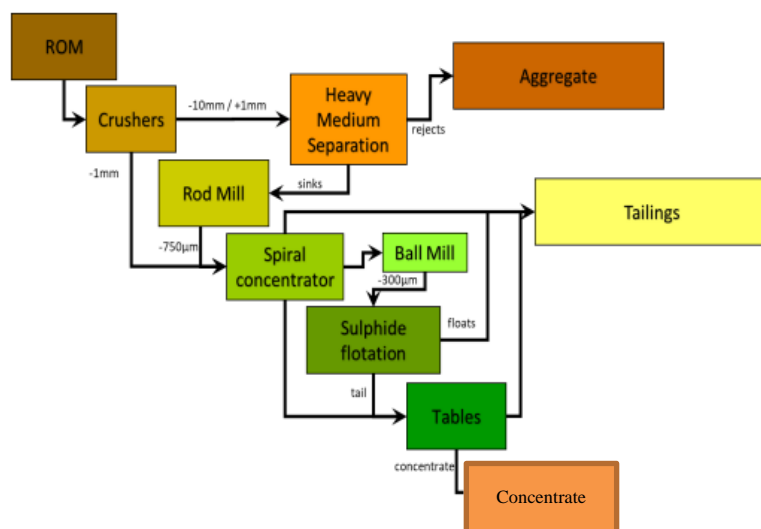


Source: Mine One consultant

The work done by the consultation firm indicates important upside from higher tin prices and lower costs. The most sensitive are the mining costs, which have the major impact on total NPV. Capex and processing costs have a mild impact on the project's NPV, and realization costs have a very marginal impact.

However, First Tin PLC's plans do not include by-products monetarization for the beginning of the project as their main objective is to get into production as early as possible with a contained capex. The by-products monetarization would come in a second phase. There is, therefore, no circuit to concentrate and sell both copper and silver in the current process flow chart since the final products will be aggregates, tailings and tin concentrate.

Simplified Taronga tin processing



Source: First Tin PLC

After the completion of the PFS, metallurgical test work was completed and showed very promising results of an increased concentrate grade of 64.7% (vs 55% in PFS) and tin recovery of 75.7% (vs 70% in the PFS). Additionally, a 60kb bulk sample was tested and proved that the XRP separation technology could be used efficiently to increase the head grade by 54% (from 0.56% Sn to 0.86% Sn) whilst achieving 96% tin recovery (or only 4% loss).

This updated PFS was done using the 2014 JORC-compliant resource estimate, as described earlier, and excluded any additional work done since its publication.

Taronga project next updates

- Bulk sample (completed)
- Confirmation drilling 1,500m (underway)
- Extension drilling 1,000m (underway)
- Exploration drilling 1,000-2,000m (upcoming)
- Environmental studies and permitting (underway)
- Water studies (underway)
- Definitive Feasibility Study (underway)

ESG / SUSTAINABILITY

One of the main distinctive features of First Tin Plc, is its approach to sustainability. It is estimated that 97% of the world's primary tin supply originates from emerging or developing nations, with artisanal or small-scale miners producing 40% of that total, primarily through alluvial mining, which has the potential to cause substantial environmental harm.

In response to these issues, the company has ESG values at the core of their decision-making process with their long-term vision: "To become a leading global tin producer that supplies fully traceable and verifiable tin units into fast-growth global industries which have a high requirement for tin."



E for environment

The company is committed to putting the following steps into practice at their project sites:

- Constant monitoring of surface and groundwater
- Water treatment for the mine, process, grey and black water
- Use of all recoverable mineral resources including (accompanying minerals)
- Short transportation routes
- Reduction of noise and dust emissions as well as the need for overnight space requirement (processing takes place underground).
- Creating compensating zones during the conversion of forests.
- After the completion of the extraction of raw materials, the final reclamation works starts.
 - Removal of all operation plants (underground and above ground).
 - Modifying the management of the mine water.
 - Keeping the mining building's entrances secure in accordance with its final intended function.

S for social

- First Tin is committed to ensuring that it manages its business in a manner which enables it to contribute to sustainable development in the local communities and host countries where it operates.
- Supporting community needs and sustainable development is a First Tin priority. First Tin conducts its business activities in a manner that adds value to local communities and is committed to:
- Focusing community activities on health and well-being, providing employment, income-generating activities for the local government and education and training.
- Ensuring that there are robust processes of assessment in place to identify all potential impacts its operations may have on the communities the company works in.
- Regularly reviewing assessment processes to ensure that all controls that are put in place are relevant and effective.
- Maintaining accurate records of community activities programs undertaken.

G for Governance

The company mission is to supply a sustainable and ethical supply answer to the global supply shortage that many industrial users of tin are currently facing.

First Tin have an opportunity to establish the first fully-integrated 'mine-to-metal' value chain in Germany and Saxony.

Zero-waste mining

The company wants to be the tin (and broad mining) leader by implementing a zero-waste mine. This is not an easy challenge to tackle. However, the company already has solutions to implement. Out of the 500,000t of ore annually mined, and turn about 45% to 50% of the mine volume into products such as aggregates for construction materials, a magnetite concentrates for the steel and iron industry, or a zinc, copper and indium concentrate. The other 50% to 55% will be used as backfill for the underground mine.

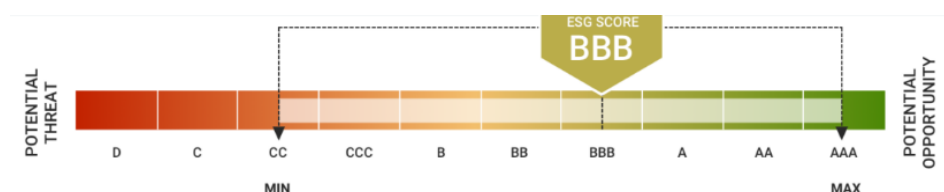
The company will have underground tailings storage, water treatment, processing, and tailings cementation. Additionally, the waste rock will be separated for backfill and aggregates.

First Tin aim to purchase low carbon footprint energy for the Tellerhäuser project. For Taronga aim to build their own PV power plant if feasible.

ESG

First Tin received its inaugural environmental, social and governance (ESG) rating from Digbee, a leading independent assessment platform for ESG disclosure in the mining industry. Digbee has given First Tin a “BBB” score.

ESG Score



Source: Digbee

The ESG score is established by adding the corporate score to the average score of every project context core and project action score. The overall score is graded on a D to AAA scale.

As per their March 27th press release, First Tin has confirmed that the Saxonian Mining Authority has reviewed the Company's plans for its 100% owned Tellerhäuser project in Germany and confirmed the asset's eligibility to move straight to the construction and operational permitting process. This reduces the overall permitting timeframe by a period of up to 12-18 months.

This decision was made due to the minimal environmental footprint that the project is anticipated to have throughout both the construction and production phases.

MARKET AND MARKET ENVIRONMENT

Tin as an element

Tin is a soft, malleable, ductile, and highly crystalline silvery-white metal. When a bar of tin is bent a crackling sound known as the "tin cry" can be heard from the twinning of the crystals. Tin melts at about 232 °C (450 °F) the lowest in group 14.

Periodic table of elements

Atomic number: 1
Name: Hydrogen
Symbol: H
Atomic weight: 1.008
Electrons per shell: 1

Subcategory metals, nonmetals, and metalloids

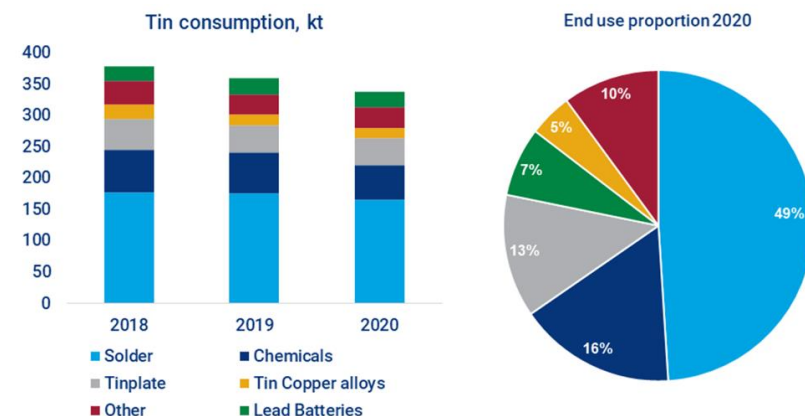
- Alkali metals
- Alkaline earth metals
- Transition metals
- Lanthanides
- Actinides
- Post transition metals
- Metalloids
- Reactive non metals
- Noble gases
- Unknown properties

Source: Priyamstudycentre.com

Tin resists corrosion from water but can be corroded by acids and alkalis. Tin can be highly polished and is used as a protective coat for other metals, a protective oxide (passivation) layer prevents further oxidation. Alloying elements such as copper, antimony, bismuth, cadmium, and silver increase the hardness of tin.

Due to these unique physical and chemical properties, tin has very important applications in electronics, chemicals, alloys, and other areas.

Tin uses



Source: International Tin Association

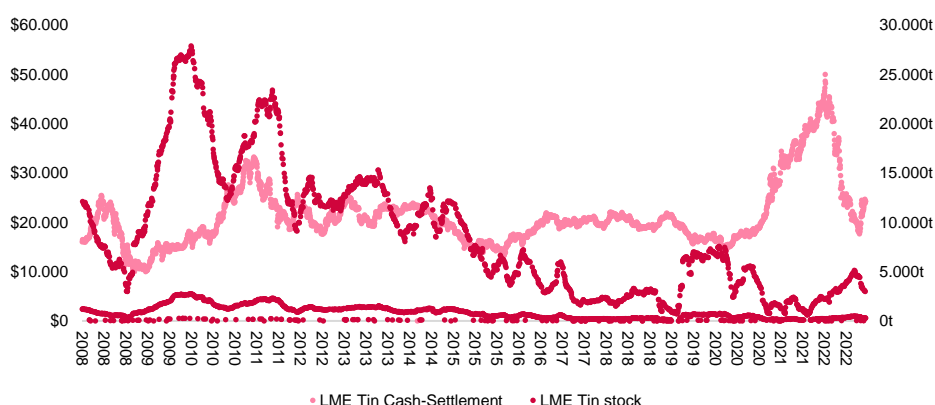
The most important use for tin is solder, representing 49% of the total demand. In second place comes chemicals with 16%, then tin plating with 13%. Lead batteries represent 7% of the total demand.

With the Internet of Things, connected equipment all over the home, workplace, and transportation system, it is not hard to imagine the future of tin demand. We expect a strong increase in demand for the next decades. As tin does not have any substitutes that are economically viable, tin will continue to exercise a monopoly.

Historical prices and stocks

The price of tin has been stable for almost a decade even if the LME tin stock was reduced by 90% over the same period. The important supply chain disruption, taking place due to the COVID-19 situation, was the main driver for the skyrocketing prices from midyear 2020 to Q1 2022 as the tin stock was at a historically low level for over 18 months.

LME tin cash-settlement and LME tin stock from 2008 to 2023



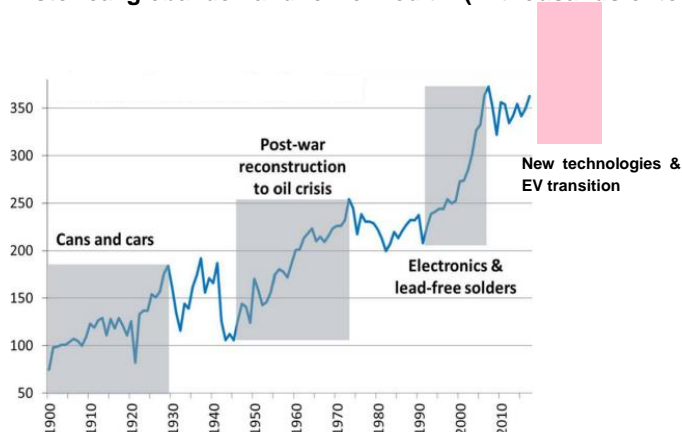
Sources: Westmetall, GBC-AG

In 2022, the price of three-month tin on the London Metal Exchange (LME) plummeted from a record high of \$51,000/ton in March to a two-year low of \$17,350 in November before bouncing back up to its current level of \$27,450.

International demand-supply forecast

Tin is in a structural deficit with supply lagging behind demand. According to the International Tin Association (ITA), the world is going to need another 50,000 tons of tin per year by 2030 to meet a looming surge in demand.

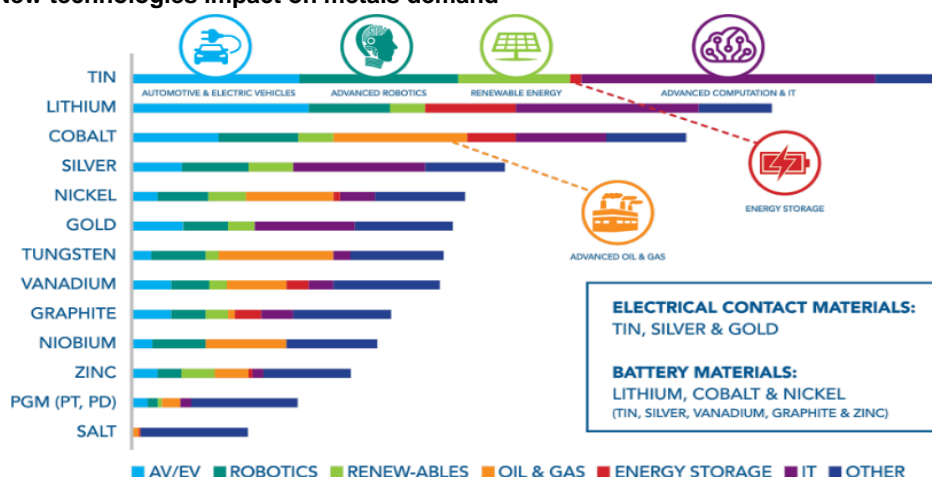
Historical global demand for refined tin (in thousands of tons)



Source: International Tin Organization

Because of its widespread use in what are otherwise typically tiny electronic components, tin is indispensable to energy transition. Tin is essential to the functioning of every electronic device in today's low-carbon, data-driven economy. Without it, electronic devices such as cell phones, electric vehicle batteries, 5G technology, and the Internet of Things would be rendered useless. We believe we are entering into the fourth phase of growth for tin demand, driven by new technologies and combustion to EV transition.

New technologies impact on metals demand

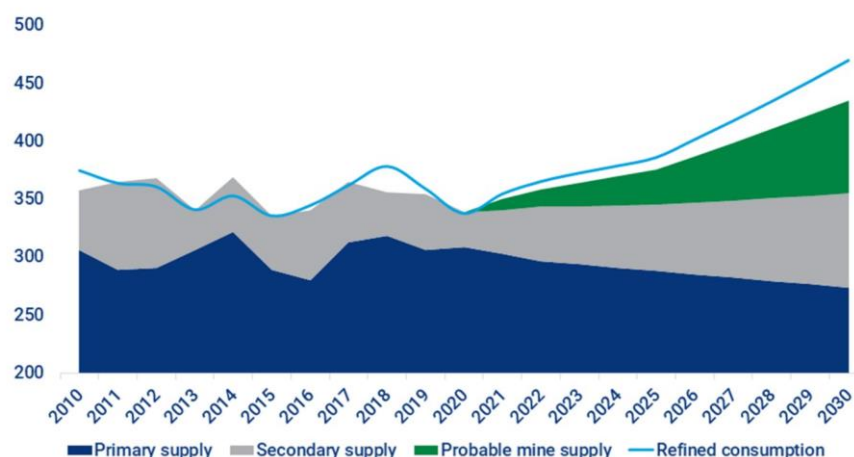


Source: ITA

The massive investment in new chip-manufacturing factories in the US and Europe will be driving the soldering demand for years ahead. Additionally, the lead-free solder will also add to market demand significantly and consistently at a pace of 4%.

Supply-Demand balance for tin in Kilotons, 2010-2030

Supply-demand balance for tin in kilotonnes, 2010-2030

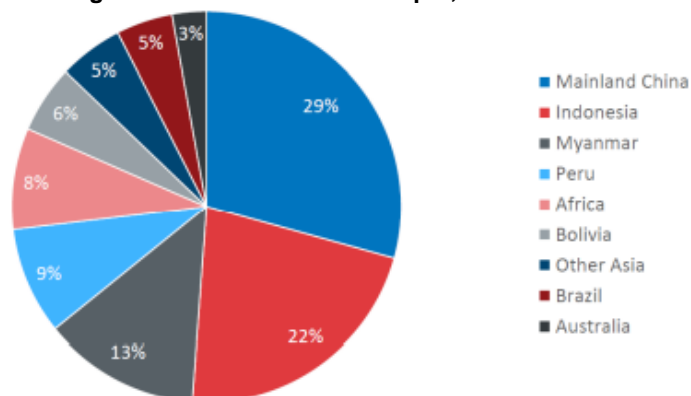


Source: Wood Mackenzie, ITA, USGS, Metallum Commodity Consulting

Sources: Wood Mackenzie, ITA, USGS.

The main production of tin takes place in Asia and developing countries resulting in an additional pressure on tin supply. A new government in Myanmar, along with a decrease in Chinese factory production in Yunnan province, disrupted supply chains from COVID-19.

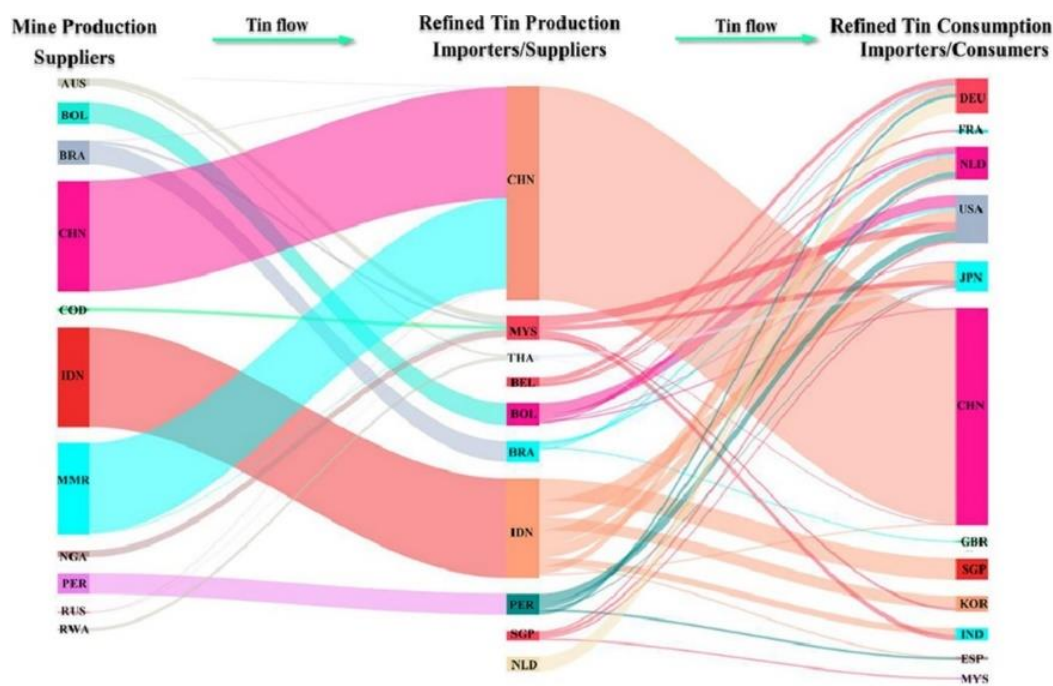
Share of global tin-in-concentrate output, 2021



Source: ITA

Not only is production highly concentrated with only three countries making up 64% of the world's production but consumption is also highly concentrated.

Tin flow from production to consumption

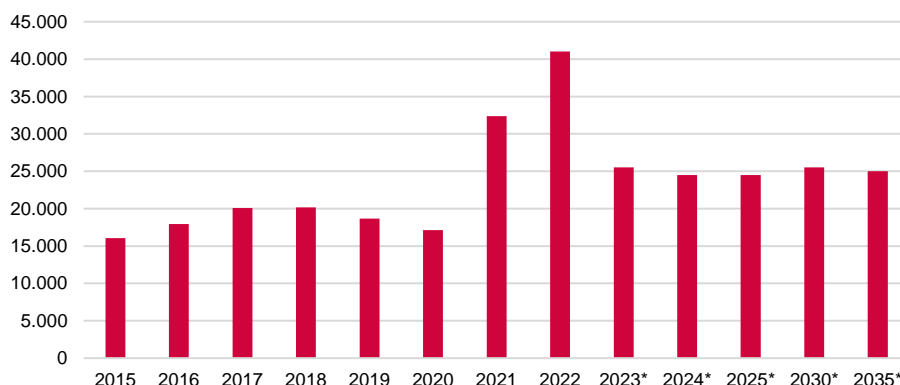


Source: <https://doi.org/10.1016/j.resconrec.2021.105495>

As of 2021, China was refining 42% of tin produced globally. There is currently no tin refined directly in Germany. Germany imports tin from Malaysia, Bolivia, Brazil, Indonesia, Peru and Belgium.

In this regard, we anticipate further increases in prices since the volume of demand will continue to greatly exceed the volume of supply, which has decreased to the lowest levels in 30 years. However, in the near future, we could see increased production from Russia (who currently imports over 90% of their tin demand), China, Indonesia, and other significant producers. This will lead to tin price stabilization.

Price for refined tin from 2015 to 2021 with a forecast until 2035 (in USD / metric ton)



Sources: Statista, GBC-AG

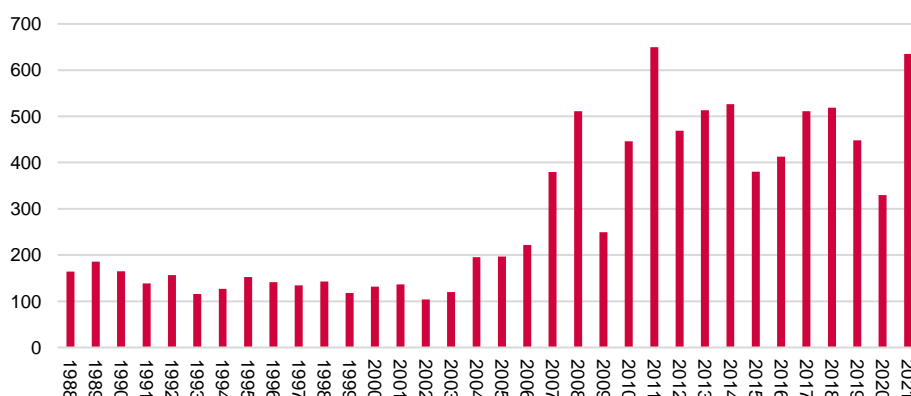
At a price of \$18,000 a ton, new tin projects are not economically feasible. Nor is a sizable portion of artisanal mining that is an important component of the overall picture of global supply. But they do not need a price of \$50,000 either, as seen recently. The sweet spot to attract new capital and for new projects to start would be a stable \$25,000-\$30,000 range.

We believe that the increase in both demand and supply will ultimately result in the price of tin remaining constant at USD 26,000 a ton for the foreseeable future.

German import tin market

With prices of tin stable from 2013 to 2018, the increase in imported tin value means that Germany has been significantly raising its tin imports over the same period of time.

Import value of tin in Germany for the period of 1988 to 2021 (m EUR)



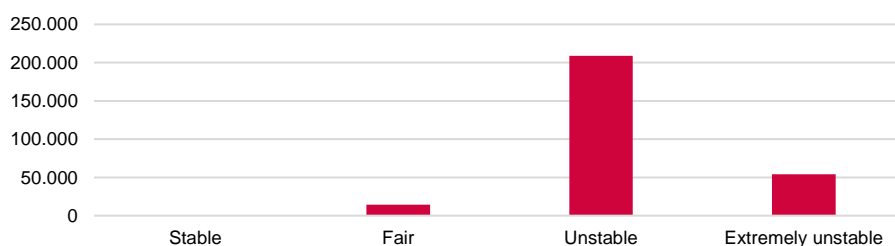
Sources: Statista, GBC-AG

Tin market current risks

There are two main risks factors associated with the current tin market: unstable countries' significant production and ESG risk.

As discussed before, a very significant part of world tin production comes from unstable countries and could lead to political risks regarding the Conflict Minerals Regulation in the EU.

Production volume of tin worldwide in 2020, by political stability of producer countries (in metric tons)



Sources: Statista, GBC-AG

As described by the European Commission, in politically unstable areas, the minerals trade can be used to finance armed groups, fuel forced labor and other human rights abuses, and support corruption and money laundering. These so-called 'conflict minerals' such as tin, tungsten, tantalum, and gold are also referred to as 3TG.

It is difficult for consumers to know if a product they have bought is funding violence, human rights abuses, or other crimes overseas. It is to avoid this situation that the EU adopted the Conflict Minerals Regulation in 2017 and which came in force on January 1st, 2021.

The countries or areas considered to be conflict-affected or high-risk are those whose natural resources include minerals which are in high demand, either locally, regionally or globally and are either suffering from armed conflict, such as civil war, a fragile post-conflict state, or witnessing weak or non-existing governance and systematic violations of international law, including human rights abuses.

The EU regulation aims to ensure that EU importers of 3TG (tin, tungsten, tantalum and gold) meet international responsible sourcing standards, set by the Organization for Economic Co-operation and Development (OECD), ensure that global and EU smelters and refiners of 3TG source responsibly, help break the link between conflict and the illegal exploitation of minerals, and help put an end to the exploitation and abuse of local communities, including mine workers, and support local development.

The regulation covers minerals and metals of gold, tin, tungsten, and tantalum. The regulation requires EU companies in the supply chain to ensure they import these minerals and metals from responsible and conflict-free sources only.

ESG is also a major risk. Based on current consumption rates, existing global reserves of 5500 kt represent about 18 years' mining life. However, Verisk Maplecroft's quantitative risk analysis shows that more than 90% of these reserves are also located in locations with high ESG risk. Tin may face major challenges as consumers and investors become more concerned about ESG-compliant sourcing.

CORPORATE DEVELOPMENT

Business development HY1 2022

P&L (in GBP m)	FY 2020	HY1 2021	FY 2021	HY1 2022
Revenues	0.00	0.00	0.00	0.00
EBITDA	-0.47	-0.36	-1.15	-2.10
EBIT	-0.48	-0.37	-1.15	-2.11
Net result	0.18	-1.11	-1.91	-2.06

Sources: First Tin plc, GBC AG

The company does not currently generate any revenue. The costs are largely incurred in administrative expenses, which amounted to -1.32 million GBP (PY: -0.59 million GBP) in the financial year 2021. In total, the net result in 2021 was -1.91 million GBP (PY: 0.18 million GBP).

In the first half of 2022, in addition to administrative expenses of -0.95 million GBP (PY: -0.52 million GBP), there were IPO costs of -0.51 million GBP (PY: 0 GBP) and share-based payments of -0.71 million GBP (PY: 0 GBP). Thus, the net result in the first half of 2022 amounted to -2.06 million GBP (PY: 0 GBP).

Balance sheet and financial situation

in GBP million	31.12.2020	31.12.2021	30.06.2022
Equity	1.55	7.57	42.85
EC ratio (in %)	36.8%	96.2%	99.1%
Operating fixed assets	3.88	4.95	24.01
Working capital	-0.09	0.11	-0.01
Net debt	2.23	-2.50	-18.85

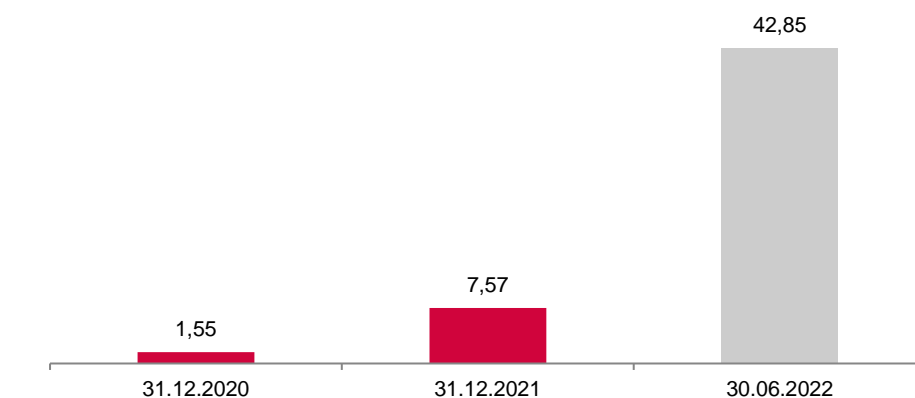
Sources: First Tin plc; GBC AG

Equity increased to 42.85 million GBP as of June 30, 2022 (December 31, 2021: 7.57 million GBP). The background to the significant increase in equity is the IPO in April 2022, which raised gross proceeds of 20 million GBP. The total costs of the IPO amounted to 1.87 million GBP.

Furthermore, in April 2022, the company entered into a purchase agreement with AusTin to acquire 100% of the share capital of Taronga. As part of the agreement, 60,000,000 ordinary shares of 0.001 GBP each were issued at a value of 30 pence per share.

In addition, as part of a capital reduction in March 2022, the share premium was reduced by 17.93 million GBP and offset against previously existing accumulated losses. As a result, the accumulated deficit of -10.81 million GBP as of December 31, 2021, was converted into retained earnings of 6.02 million GBP.

Development of shareholders' equity (in GBP million)



The company has no interest-bearing liabilities as of 30.06.2022 and reports an equity ratio of 99.1%. Furthermore, the company has cash and cash equivalents of 18.85 million GBP as of 30.06.2022 and is thus well equipped for the planned operational developments in 2023.

SWOT analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> Experienced board and management team with an extensive track record 100% ownership of two advanced tin development projects with comparatively low investment costs and within 12 months of an investment decision Proximity to smelters and the German industrial supply chain Development studies will be completed in the next 18 months. Production is expected in 2025. Ethical and reliable tin supply – ESG compliant Mining licenses already granted over both assets 	<ul style="list-style-type: none"> Further substantial liquid funds will be required for the realization of the projects. This should also lead to a significant share dilution. The company's success depends on two projects. A negative development of one of the two projects could also have an indirect negative impact on the other project. Mineral exploration and development are speculative. The economics are affected by many factors, including operating costs, fluctuations in ore grade and mineral prices, costs of development, infrastructure and processing facilities, and other factors such as government regulations, including regulations relating to royalties, permitted production, import and export of minerals and environmental protection. Working on two different advanced exploration projects with two DFS reports in the works at the same time
Opportunities	Risks
<ul style="list-style-type: none"> Global demand for tin has increased significantly recently due to the global revolutions in clean energy and technology. This trend could continue in the future. First Tin could become a leading global tin producer. DFS at Taronga completion scheduled for Q4 2023 Short supply of tin in long-term projections Few substantial, economic tin deposits in tier-one jurisdictions Updated by-products process could add a lot of upsides to the project economics. Metallurgic processing optimization 	<ul style="list-style-type: none"> The profitability of the projects is linked to the tin price. A significant drop in price would make the project unprofitable. Existing licenses must remain in place and additional permits must be obtained. The company is exposed to foreign exchange risk as it is based in the United Kingdom but also operates in Germany and Australia and, in addition, tin is priced in U.S. dollars. Delays in labs for core analysis Delays in completion of DFS studies Capex could be higher due to interest rate hikes and high inflation. Environmental permit for Tellerhäuser in process.

FORECAST AND VALUATION

There are several factors that can be considered when evaluating a mining project. Some of the most important factors to consider include the following:

First, the concentration and quantity of the ore: the concentration of the ore to be mined has a significant impact on the value of the project. Since a high concentration requires less processing, this can provide higher yields. The number of ore that can be extracted from the mine is also important, as it determines the overall size of the project and the potential profitability of the operation.

Operating costs: the operating costs of the mine, including the cost of labor, equipment, and materials, have a significant impact on the value of the project. Among other things, operating costs depend significantly on the type of mine, local cost structures, and logistical challenges.

Market conditions: the demand for the minerals to be mined and the current market price for these minerals also affect the value of the project.

Access to infrastructure: the availability of infrastructure such as transportation and power supply also affects the value of the project. Mines located in areas with good infrastructure tend to be more valuable than those located in more remote areas.

Political and regulatory environment: the political and regulatory environment in the region where the mine is located can also affect the value of the project. A stable and supportive regulatory environment can make a mining project more attractive, while a hostile or uncertain regulatory environment can make it less valuable.

Quality of the management team: the experience and expertise of the management team can impact the value of the project.

First Tin has one project in Australia and one project in Germany, which is spread over three licenses.

Project Germany - Tellerhäuser

The project in Germany consists of the Rittersgrün (containing the Tellerhäuser project, consisting of the Hämmerlein and Dreiberg deposits), Gottesberg II and Auersberg licenses.

No preliminary studies are yet available for the Gottesberg and Auersberg licenses, so we have not carried out a valuation for these areas. There could be further hidden reserves in the valuation here. The initial assessment of the Gottesberg deposits indicates a capacity of about one million tons per year. Project infrastructure and access to human resources are well established. Auersberg is an exploration target with no past or current mining or processing operations. Auersberg, like Gottesberg and Tellerhäuser, has good access to project infrastructure and resources.

Resources have been identified at the Tellerhäuser project in the past, with the most recent mineral resource estimate by Bara Consulting describing significant occurrences of tin, zinc, iron, and indium. Historic mining at Tellerhäuser has involved the mining of tin in the Hämmerlein deposit using drift and fill and room and pillar methods with low tonnages. Recent mining studies by RPA and now Bara Consulting indicate that mining of about 500,000 tons per year would be quite feasible.

To realize the Tellerhäuser project, we initially expect capex investments of USD 54 million by 2026, including around USD 14 million for the battery-electric mining fleet and USD 8 million for the mining infrastructure. It should then be possible to start mining and processing.

For production, we assume the following average market prices: tin \$26,000 / ton, zinc \$2,750 / ton, indium \$6.1 / oz and iron \$163 / ton. For the respective metals, we expect that the company will receive 87% of the market price for tin, 79% for zinc, 80% for indium and 100% for iron due to processing.

Assumed prices and recoverable portion of the price

Metal	Unit	Course	Share of the recoverable amount
Tin	\$/ton	26,000	87%
Zinc	\$/ton	2,750	79%
Indium	\$/oz	6.1	80%
Iron	\$/ton	163	100%

Source: GBC AG

In the following table we have shown the quantities mined. This shows that tin accounts after zinc for the smallest share of mined volumes. However, tin is the primary sales driver due to the high market price.

Expected production volumes by commodity

(in t)	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	2037e
Tin	0	0	1,650	2,850	2,850	4,388	4,106	3,750	3,750	3,750	3,750	2,869	1,006
Zinc	0	0	2,850	2,850	2,769	2,100	2,761	3,600	3,600	3,600	3,600	3,160	1,176
Indium	0	0	696,945	696,945	686,566	601,286	528,976	437,299	437,299	437,299	437,299	589,777	287,661
Iron	0	0	18,750	18,750	18,140	13,125	12,133	10,875	10,875	10,875	10,875	1,500	7,739

Source: GBC AG

We expect a ramp-up phase in the first year, followed by significant production increases. According to our planning, the last year, 2037, should also show low production, as dismantling has already begun. Thus, production should run at full load for nine years. We assume that further substantial capex investments of USD 24.2 million will be required in 2029 to develop the resources from the Dreiberg deposit.

The weighted average cost of capital (WACC) is calculated from the cost of equity and the cost of debt. To determine the cost of equity, the fair market premium, the company-specific beta, and the risk-free interest rate must be calculated.

The risk-free interest rate is derived from current yield curves for risk-free bonds in accordance with the recommendations of the Fachausschuss für Unternehmensbewertungen und Betriebswirtschaft (FAUB) of the IDW. This is based on the zero bond interest rates published by the Deutsche Bundesbank using the Svensson method.

The currently used value of the risk-free interest rate is 1.5%.

We set the historical market premium of 5.5% as a reasonable expectation of a market premium. This is supported by historical analyses of stock market returns. The market premium reflects the percentage by which the stock market is expected to yield better than low-risk government bonds.

According to the GBC estimation method, a beta of 1.58 is currently determined.

Using the assumptions made, we calculate a cost of equity of 10.2% (beta multiplied by risk premium plus risk-free interest rate). As we assume a sustainable weighting of 50% for the cost of equity, the weighted average cost of capital (WACC) is 7%.

We have determined a fair value of **USD 176.19 million** for the Tellerhäuser project.

This corresponds to € 177.60 million (USD 1 = EUR 0.94202 Dec. 21, 2022, 16:03 UTC)
or GBP 155.69 million (USD 1 = EUR 0.82583 Dec. 21, 2022, 16:03 UTC).

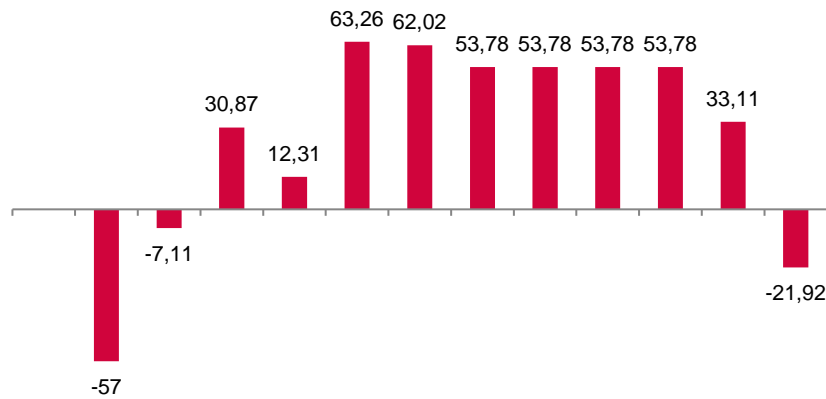
Evaluation model Tellerhäuser

Forecasted sales, costs, and free cash flow

	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	2037e
Tin turnover			37.32	64.47	64.47	99.26	92.88	84.83	84.83	84.83	84.83	64.90	22.76
Zinc turnover			3.53	3.53	3.43	2.60	3.42	4.46	4.46	4.46	4.46	3.91	1.46
Indium turnover			3.58	3.58	3.53	3.09	2.72	2.25	2.25	2.25	2.25	3.03	1.48
Iron turnover			3.06	3.06	2.96	2.14	1.98	1.77	1.77	1.77	1.77	0.24	1.26
Revenues			47.49	74.63	74.38	107.09	100.99	93.30	93.30	93.30	93.30	72.08	26.95
Operating costs		-4	-53.77	-42.94	-37.88	-42.72	-37.88	-37.88	-37.88	-37.88	-37.88	-37.88	-37.88
Capex		-54	-0.83	-0.83	-24.20	-1.10	-1.10	-1.65	-1.65	-1.65	-1.65	-1.10	-11.00
FCF	0	-57	-7.11	30.87	12.31	63.26	62.02	53.78	53.78	53.78	53.78	33.11	-21.92

Source: GBC AG

Development of free cash flow (in USD million)



2025e 2026e 2027e 2028e 2029e 2030e 2031e 2032e 2033e 2034e 2035e 2036e 2037e
Source: GBC AG

		Resources Price development				
		-30.0%	-15.0%	0.0%	15.0%	30.0%
WACC	5.5%	27.02	114.15	201.28	288.41	375.54
	6.0%	24.32	108.43	192.53	276.64	360.74
	6.5%	21.75	102.96	184.18	265.39	346.60
	7.0%	19.30	97.75	176.19	254.64	333.09
	7.5%	16.96	92.76	168.56	244.36	320.16
	8.0%	14.74	88.00	161.27	234.54	307.80
	8.5%	12.62	83.46	154.30	225.14	295.98

Source: GBC AG

Project Australia - Taronga

The Taronga Tin Project was evaluated by Mining One Consultants as part of a pre-feasibility study in 2021. Due to high global inflation rates between 6% and 10%, the potential costs should have increased in the meantime.

We expect ore mining to extend over 10 years and assume an average tin price of USD 26,000. The mineral resources in New South Wales (NSW) are largely owned by the state government. This means that in some cases mining royalties are payable. The ad valorem royalty applies to minerals with a high value-to-volume ratio (such as gold or even tin). The royalty is 4% of the production value. We have determined capex over the life of the project to be \$153.23 million, with the majority occurring in 2024 prior to the start of production. We have determined the opex to be USD 623.39 million.

	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e
Tin in t	3,110.83	3,266.38	4,977.34	5,392.11	5,806.89	5,599.50	3,110.83	2,488.67	1,555.42	1,659.11

Source: GBC AG

We expect the Taronga project to achieve significant production of tin directly in 2026, as it is an open pit mine. We forecast an increase in production over the coming years that will slowly level off by 2035.

The weighted average cost of capital (WACC) is calculated from the cost of equity and the cost of debt. To determine the cost of equity, the fair market premium, the company-specific beta, and the risk-free interest rate must be calculated.

The risk-free interest rate is derived from current yield curves for risk-free bonds in accordance with the recommendations of the Fachausschuss für Unternehmensbewertungen und Betriebswirtschaft (FAUB) of the IDW. This is based on the zero bond interest rates published by the Deutsche Bundesbank using the Svensson method.

The currently used value of the risk-free interest rate is 1.5%.

We set the historical market premium of 5.5% as a reasonable expectation of a market premium. This is supported by historical analyses of stock market returns. The market premium reflects the percentage by which the stock market is expected to yield better than low-risk government bonds.

According to the GBC estimation method, a beta of 1.58 is currently determined.

Using the assumptions made, we calculate a cost of equity of 10.2% (beta multiplied by risk premium plus risk-free interest rate). As we assume a sustainable weighting of 50% for the cost of equity, the weighted average cost of capital (WACC) is 7.0%.

We have determined a fair value of **USD 101.09 million** for the Taronga project.

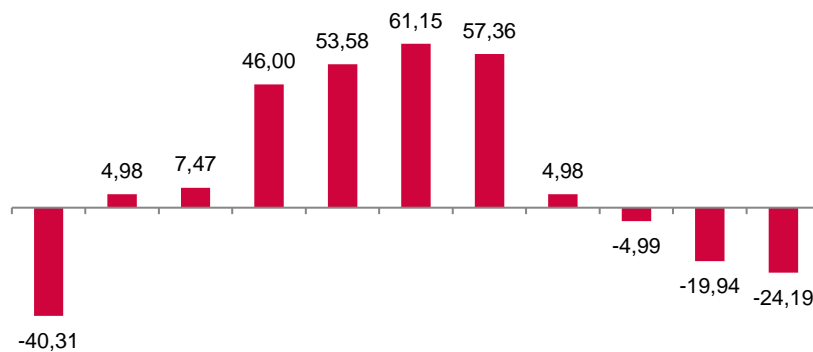
This corresponds to € 95.22 million (USD 1 = EUR 0.94202 Dec. 21, 2022, 16:03 UTC) and GBP 83.48 million (USD 1 = EUR 0.82583 Dec. 21, 2022, 16:03 UTC), respectively.

Taronga evaluation model

In USD million	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e
Revenues		80.88	84.93	129.41	140.19	150.98	145.59	80.88	64.71	40.44	43.14
Ad valorem 4%		-3.24	-3.40	-5.18	-5.61	-6.04	-5.82	-3.24	-2.59	-1.62	-1.73
Capex	-40.31	-10.33	-10.33	-10.33	-10.33	-10.33	-10.33	-10.33	-10.33	-10.33	-19.94
Opex		-62.34	-63.73	-67.90	-70.68	-73.46	-72.07	-62.34	-56.78	-48.44	-45.66
FCF	-40.31	4.98	7.47	46.00	53.58	61.15	57.36	4.98	-4.99	-19.94	-24.19

Source: GBC AG

Development of free cash flow



2025e 2026e 2027e 2028e 2029e 2030e 2031e 2032e 2033e 2034e 2035e

Source: GBC AG

		Resources price development				
		-30.0%	-15.0%	0.0%	15.0%	30.0%
WACC	5.5%	-87.05	7.85	109.59	211.34	313.09
	6.0%	-84.99	7.60	106.69	205.79	304.88
	6.5%	-83.02	7.32	103.86	200.39	296.93
	7.0%	-81.16	7.02	101.09	195.15	289.22
	7.5%	-79.38	6.70	98.38	190.06	281.74
	8.0%	-77.69	6.35	95.73	185.11	274.49
	8.5%	-76.07	6.00	93.15	180.30	267.46

Source: GBC AG

Business valuation

For the German Tellerhäuser project, we have determined a fair value of USD 176.19 million or GBP 145.51 million. For the Taronga project in Australia, we believe the value is USD 101.09 million and GBP 83.48 million, respectively. In total, the value of the company's two projects is GBP 239.17 million. As the project is still far in the future and also future financing has not yet been secured, we have applied a safety discount of 50% to the projects. After the precautionary discount, the projects have a total value of GBP 114.49 million. In addition, the company currently has net financial assets of GBP 18.85 million, so the value of equity is GBP 138.44 million.

The company already had 3.17 million warrants outstanding as of December 31, 2021, at an exercise price of 0.20 GBP as of April 9, 2024 and issued a further 8.5 million warrants in the first half of 2022 at an exercise price of 0.33 GBP and an exercise date of 30.06.2024. In addition, there are 1.56 million stock options outstanding at an exercise price of 0.13 GBP and an exercise date of 03.03.2023 as of 31.12.2021 with a further 8.5 million options issued in the first half of 2021 at an exercise price of 0.33 GBP and an exercise date of 30.06.2023. We have valued the warrants and options using a Black-Scholes model assuming a risk-free interest rate of 1.5% and an implied volatility of 50.0%. We value the warrants & options at 0.10 million GBP and deduct this from the value of equity. This results in a value of equity of GBP 133.24 million.

On the 265.53 million shares outstanding, this results in a fair value per share of 0.50 GBP. At the current price of GBP 0.07, there is significant upside potential, and we assign a BUY rating.

Valuation in GBP	FY 2025e
<i>Project value Tellerhäuser</i>	145.51
<i>Project value Taronga</i>	83.48
Total value of the project	239.17
Precautionary discount of 50%	114.49
Net financial assets	18.85
Value of equity	138.44
Warrants & options	-0.10
Value of share capital	133.24
<i>Shares outstanding in millions</i>	265.53
Fair value per share in GBP	0.50

Source: GBC AG

APPENDIX

I.

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2. the research report shall be made available simultaneously to all investment service providers interested therein.

II.

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Since 1 July 2006, GBC AG has used a three-level absolute share rating system. Since 1.7.200, the ratings have been based on a time horizon of at least 6 to a maximum of 18 months. Previously, the ratings were based on a time horizon of up to 12 months. When the analysis is published, the investment recommendations are determined by reference to the expected return in accordance with the ratings described below. Temporary price deviations outside of these ranges do not automatically lead to a change of rating, but do give rise to a revision of the original recommendation.

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BUY	The expected return, based on the determined price target, including dividend payment within the corresponding time horizon is $\geq + 10\%$.
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The analysts responsible for this analysis are

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Other people involved in the report:

Jörg Grunwald, chairman

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