

Recommendation: **Buy**

 Target Price: **\$1.75**

Current Price	\$0.43	Shares Outstanding (MM)	
52 Wk High	\$0.61	Basic	300.1
52 Wk Low	\$0.25	Diluted	326.0
Cash (MM)	US\$24.6	Mgmt and Dir	19.2
LT Debt (MM)	US\$0.0	Mkt Cap. (MM)	\$127.5
NAV	\$2.15	EV (MM)	US\$71.8
P/NAV	0.20x		
NAV (spot)	\$2.41		
P/NAV (spot)	0.18x		

Fiscal YE Dec 31	2023A	2024E	2025E
EPS	US\$(0.05)	US\$(0.01)	US\$(0.01)
CFPS, basic	US\$(0.04)	US\$(0.01)	US\$(0.01)

Company Description:

Meridian is a UK-domiciled gold and base metals explorer underpinned by the flagship Cabaçal VMS project in Brazil (option to earn 100%; [note](#)), which offers immediate exposure to a resource of significant scale (63.2 MMt total) bolstered by recent (ongoing) drilling ([note](#)) and remains open—within a greater property position boasting ‘belt scale’ potential, ‘social’ stability, and proximity to established regional infrastructure including (hydro) grid power (\leq US\$0.075/kWh). A 2023 PEA arguably provides a ‘starting point’ in anticipation the project’s scope will ultimately feature expansion consideration (~H2/24 PFS now underway; [note](#)). Standalone potential aside, we remain cognizant that Cabaçal is neighbored by several compelling exploration targets, including the historic Santa Helena mine area ([note](#)), spanning an ~11 km high-grade corridor (noting VMS deposits typically occur in clusters)—offering belt scale potential. Further to this point, we would not be surprised to see additional exploration success ([note](#)) garner the attention of established producers in Brazil. Stay tuned!

Meridian Mining UK Societas

(MNO - TSX)

Infill Drilling Hits The Mark At Cabaçal

Unless otherwise denoted, all figures shown in C\$

Event:

Cabaçal continues to deliver strong gold-copper-silver intersections from within the deposit’s open-pit envelope in support of ongoing PFS efforts ([note](#)). Meanwhile, exploration drilling along Cabaçal’s greater VMS corridor is commencing, looking to discover additional sources of potential satellite feed.

Impact:

Positive (neutral to our formal valuation). Meridian’s latest drilling is headlined by a 35.4 m intersection grading 2.2 g/t AuEq (1.5% CuEq) from 52 m (including 113.4 m at 4.6 g/t AuEq / 3.1% CuEq) in hole CD-492—confirming (bettering) historic data only available in the form of ‘graphic logs’, which was not used for resource estimation. Said result compares to Cabaçal’s 52.9 MMt indicated resource grade of 1.05 g/t AuEq, which in turn largely underpins a (arguably unoptimized) 2023 PEA mine plan ([note](#)). Looking ahead, recall 2024 efforts are centred on Cabaçal’s PFS ([note](#)), additional resource drilling and Phase 1 metallurgy at Santa Helena ([note](#)), as well as regional exploration spanning the greater belt ([note](#)), cognizant VMS deposits typically occur in clusters. Further to the latter, the company has now initiated a scout drill program to test Cabaçal’s greater belt-scale potential through 2025—leveraging IP and Geonics bore-hole EM geophysics along/beyond a prospective ~10 km long ‘mine corridor’ that includes the compelling Sucuri and Cigarra targets.

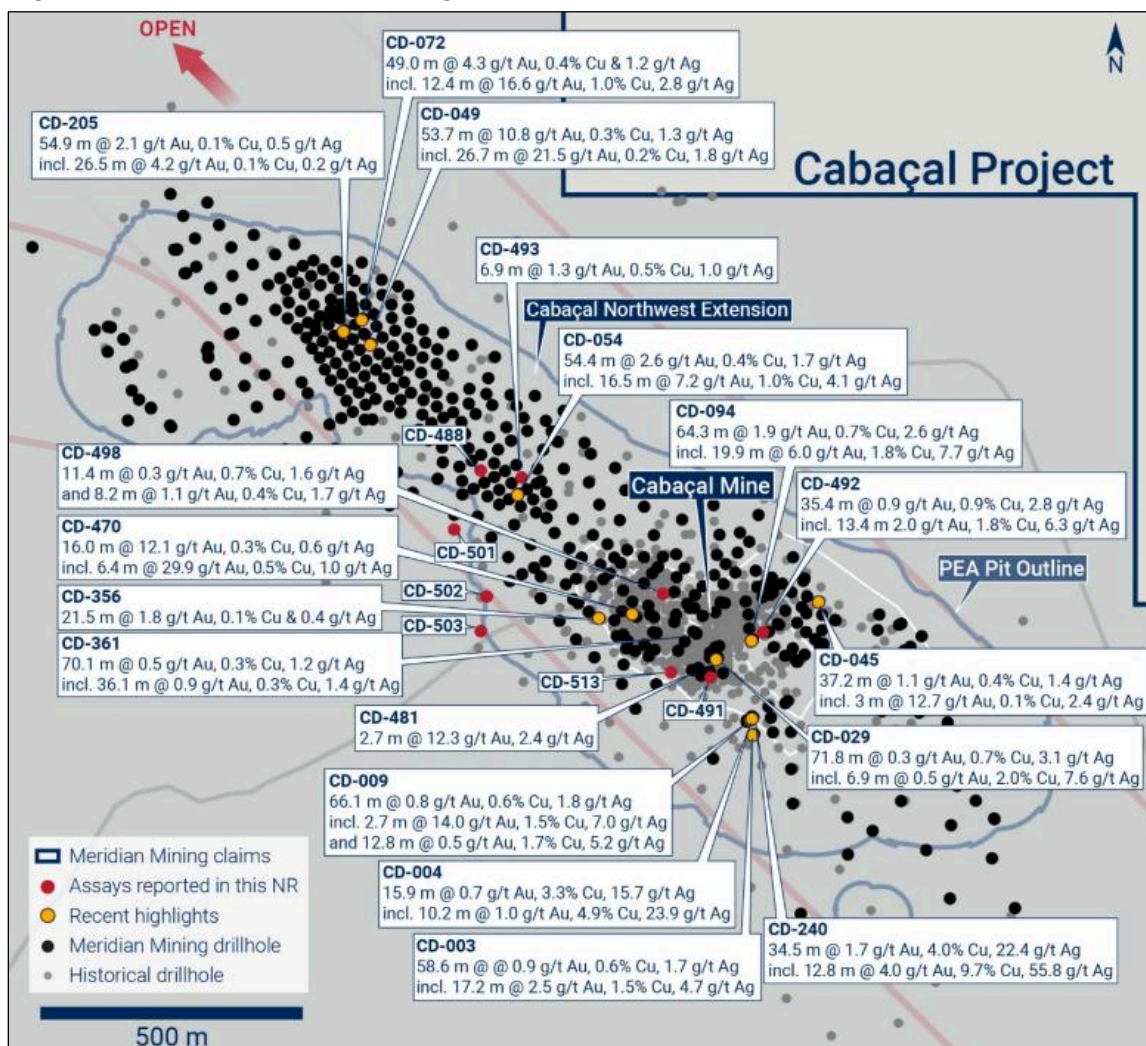
Commentary:

Recall Meridian’s 2024 efforts stand to be funded by a \$20 MM equity raise completed last April. Following heavy rains in Q1/24, the company has mobilized five rigs to close off and deliver Cabaçal proper’s drillhole database to the project’s QP this quarter, which in turn will inform PFS efforts (including an optimized open-pit design; [note](#)). The study (anticipated by YE/24), superseding a 2023 PEA ([note](#)), will feature a mill expansion to 4.5 MMtpa in Year 4 to better ‘right size’ development scope ([note](#))—essentially doubling initial throughput (2.5 MMtpa) via the installation of a parallel processing circuit ([note](#)). Drilling at Santa Helena through Q3/24 will also bolster a database for resource estimation later this year—targeting a 3.2-7.2 MMt inventory grading 3.0-3.2 g/t AuEq ([note](#); Cabaçal + Santa Helena 2024 drilling expected to total ~7,800 m). In addition, this year’s drilling will provide material for Phase 1 metallurgical test work. Finally, Meridian continues to update environmental permits and access agreements to facilitate exploration along the prospective +20 km long Cabaçal ‘belt’ as part of camp-scale ‘hub and spoke’ development efforts centred on Cabaçal ‘proper’ (~9 km northwest of Santa Helena, [note](#)).

Investment Conclusion:

Meridian offers exposure to a large-tonnage copper-gold VMS deposit in Brazil that stands to garner the attention of established producers in time. Relatively low grade is offset by near-surface deposit geometry likely amenable to (low-strip) open-pit mining. Recognition of a shallow late-stage structural gold overprint and copper-rich VMS feeder at depth stands to further bolster grade, while similar-looking targets along the regional VMS belt offer compelling exploration upside ([note](#)).

Figure 1: Cabaçal VMS Belt Target Map



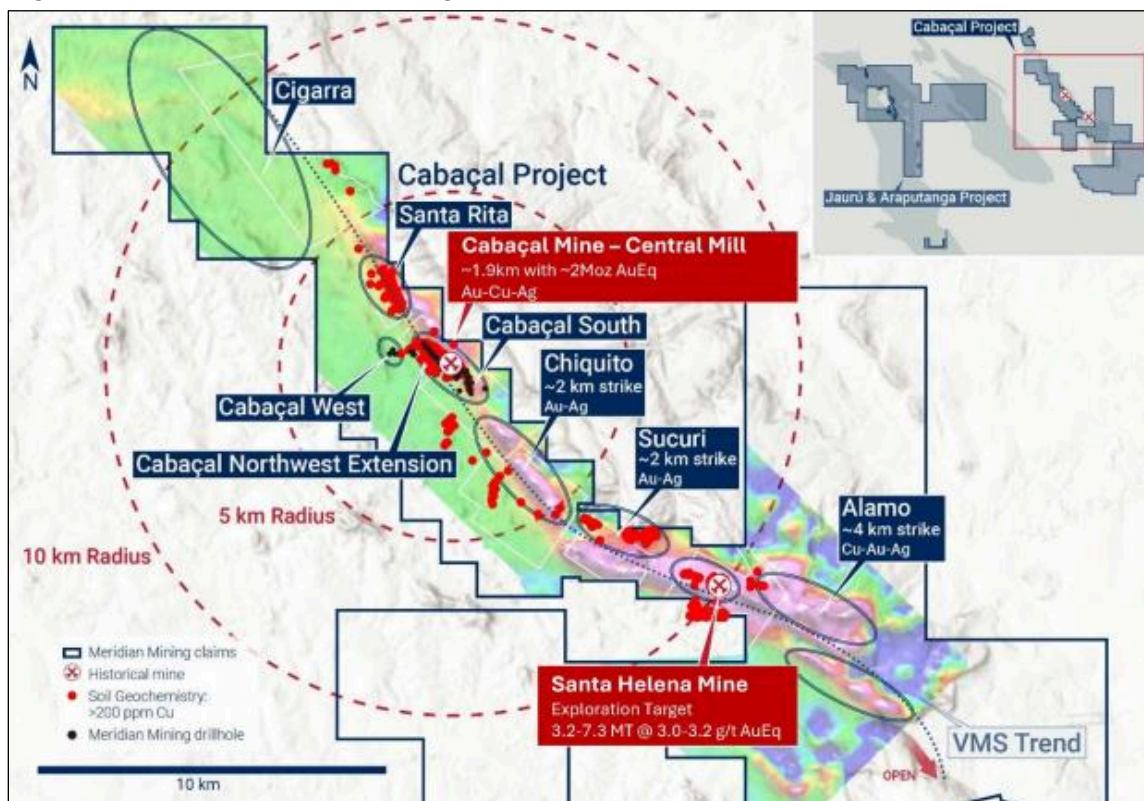
Source: Meridian Mining UK S

Figure 2: Latest Cabaçal Drill Result Highlights

- **CD-492: 35.4m @ 2.2g/t AuEq (1.5% CuEq*)** from 51.8m; Including
 - **13.4m @ 4.6g/t AuEq (3.1% CuEq)** from 73.8m; including
 - **1.1m @ 18.6g/t AuEq (12.5% CuEq)** from 85.4m);
- **CD-493 : 6.9m @ 2.0g/t AuEq (1.3% CuEq)** from 106.5m;
 - Included a 51cm zone of hosting visible gold grading **17.0g/t AuEq** from 109.7m;
- **CD-498 : 8.2m @ 1.7g/t AuEq (1.1% CuEq)** from 45.9m;

Source: Meridian Mining UK S

Figure 3: Cabaçal VMS Belt Target Map



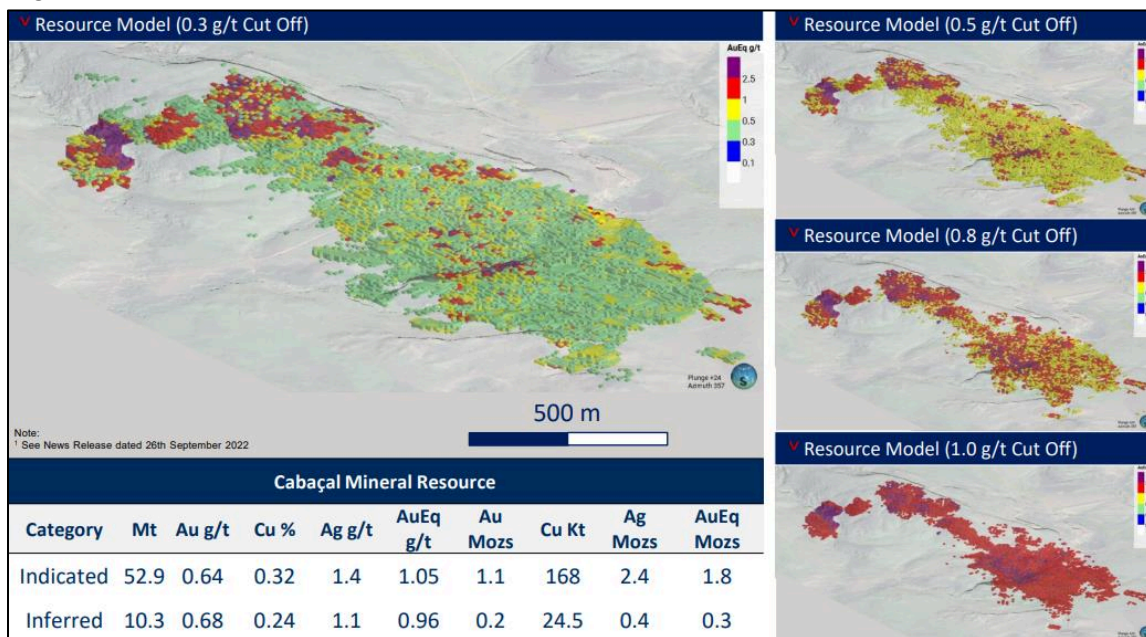
Source: Meridian Mining UK S

Figure 4: Cabaçal's Path Forward

		2024			2025				2026
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Cabaçal	Data Collection for PFS								
	PFS & Resource Update								
	Target for Grant Preliminary License								
	Feasibility Study								
	Option Agreement - Stage 5								
	Submission of Installation License Application								
	Target for Granting of Installation License								
	Option Agreement - Stage 6								
	Project Financing								
	Option Agreement - Stage 7 (Final)								
Santa Helena	Decision to Mine								
	Construction								
	Santa Helena Drilling								
	Metallurgical Program								
	Santa Helena Resource								
	Enviromatal Data Collection & Study								
Other	Submission of Preliminary Licence								
	Feasibility Study								
	Multiple Mine Corridor Development Targets								
Further Belts Scale Exploration									
Strategic Review Underway for Non-Core Assets									

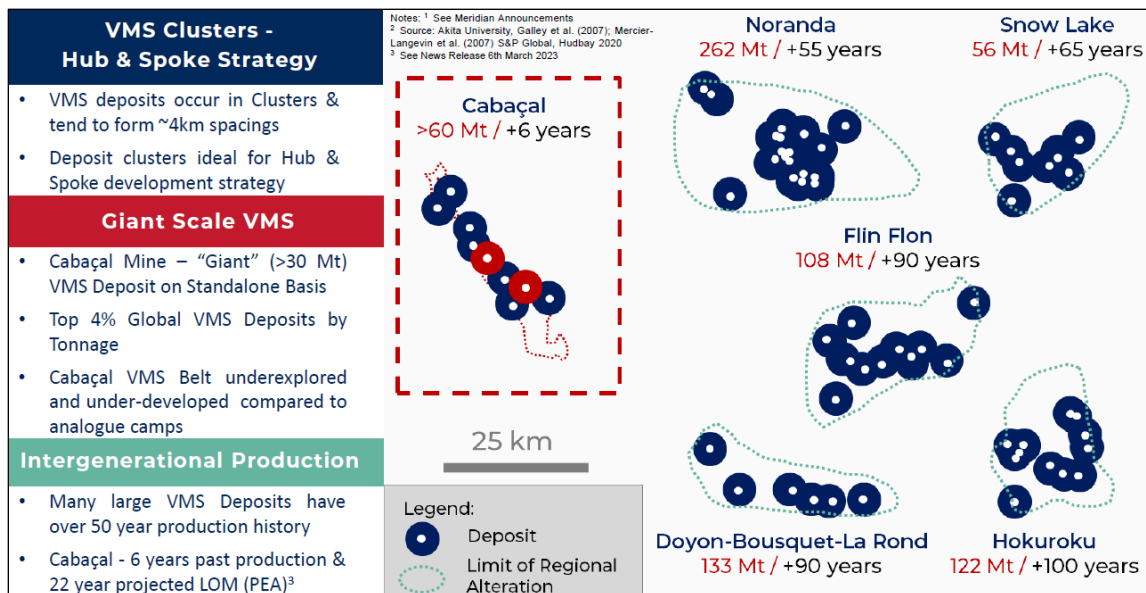
Source: Meridian Mining UK S

Figure 5: Cabaçal Resource Model



Source: Meridian Mining UK S

Figure 6: Cabaçal Belt Scale Comparison



Source: Meridian Mining UK S

Figure 7: Meridian Mining UK S – Summary

Meridian Mining UK Societas (MNO-T)				Target Price, C\$		Shares OS, MM	
Rating: Buy				Current Price, C\$		Shares FD, MM	
Target Price: C\$1.75				Return, %		Market Cap, US\$MM	
Metric: 0.8x fully financed AT Corp. NAV7%				52-Week High / Low, C\$		Company CEO	
				Volume (100-day average)		Web Site	
						Gilbert Clark	
						www.meridianmining.co	

Balance Sheet and Capitalization

	US\$MM	US\$/Sh.	C\$MM	C\$/Sh.
Market Capitalization	\$94	\$0.31	\$128	\$0.43
Current Cash	\$25	\$0.08	\$33	\$0.11
F/D Cash Adds	\$9	\$0.03	\$13	\$0.04
Working Capital	\$23	\$0.08	\$31	\$0.10
Long-term Debt	-	-	-	-
Book Value	\$32	\$0.11	\$44	\$0.15
Enterprise Value (EV)	\$72	\$0.24	\$97	\$0.32

EV = Market Capitalization - Working Capital + Long-term Debt

Financial Forecast

	2028	2029	2030
Forecast Copper Price, US\$/lb	\$4.25	\$4.25	\$4.25
Forecast Gold Price, US\$/oz	\$2,200	\$2,200	\$2,200
C\$/US\$ FX Rate	1.35	1.35	1.35
Average Shares O/S, MM	486	486	486
Cash, US\$MM	\$239	\$314	\$372
Working Capital, US\$MM	\$240	\$339	\$397
Long-term Debt, US\$MM	\$163	\$163	\$130
Sales, US\$MM	\$408	\$256	\$244
Operating Costs, US\$MM	\$4	\$5	\$4
Depreciation, US\$MM	\$(15)	\$(15)	\$(15)
Corporate G&A, US\$MM	-	-	-
Exploration, US\$MM	-	-	-
Earnings, US\$MM	\$269	\$164	\$156
EPS, US\$	\$0.55	\$0.34	\$0.32
Current Price / EPS	0.6x	0.9x	1.0x
Target Price / EPS	2.3x	3.8x	4.0x
OCF Before WC Changes, US\$MM	\$241	\$93	\$107
CFPS, US\$	\$0.50	\$0.19	\$0.22
Current Price / CFPS	0.6x	1.7x	1.4x
Target Price / CFPS	2.6x	6.8x	5.9x
Current EV / OCF	0.3x	0.8x	0.7x
Target Implied EV / OCF Multiple	2.7x	7.1x	6.1x
CAPEX, US\$MM	\$(6)	\$(6)	\$(6)
Investing CF, US\$MM	\$(6)	\$(6)	\$(6)
LT Debt Interest Pay., US\$MM	\$(12)	\$(12)	\$(11)
LT Debt Principal Repay., US\$MM	-	-	\$(33)
Financing CF, US\$MM	\$(12)	\$(12)	\$(43)
Free Cash Flow, US\$MM	\$222	\$74	\$58
FCFPS, US\$	\$0.12	\$(0.20)	\$(0.04)

Cabaçal Production Forecast (100% owned)

	2028	2029	LOM
Ore Milled, MMt	2.5	2.5	55.6
Copper Head Grade, %	0.29%	0.40%	0.31%
Gold Head Grade, g/t	2.30	1.16	0.64
Copper Recovery, %	92%	92%	92%
Gold Recovery, %	87%	87%	87%
Copper Production (contained), MMlb	15	20	351
Gold Production (contained), koz	166	84	1,026
Onsite Operating Cost, US\$/t milled	\$25	\$35	\$25
AuEq C1 Cash Cost, US\$/oz	\$425	\$825	\$950
CuEq C1 Cash Cost, US\$/lb	\$0.80	\$1.60	\$1.80
AuEq AIDC, US\$/oz	\$450	\$875	\$1,000
CuEq AISC, US\$/lb	\$0.90	\$1.70	\$1.90

Corporate Sales Forecast

	2028	2029	LOM
Copper Sales, MMlb	14	20	339
Gold Sales, koz	160	81	988

Source: Cormark Securities Inc.

Share Capital Dilution

	Number	Price	Proceeds	Expiry
Warrants	4.3 MM	C\$0.41	C\$2 MM	2024-2025
Options	21.6 MM	C\$0.51	C\$11 MM	2024-2029
Share Units	-	-	-	-
Total Dilution	25.9 MM	C\$0.49	C\$13 MM	

Recent Financings

April 9, 2024 - C\$20.1 MM bought deal offering (57.5 MM shares @ C\$0.35/sh)
May 2, 2023 - C\$18.4 MM bought deal offering (36.8 MM shares @ C\$0.50/sh)
December 30, 2022 - C\$5.9 MM PP (16.8 MM shares @ C\$0.35/sh)
October 19, 2021 - C\$10.4 MM PP (14.8 MM shares @ C\$0.70/sh)

Major Shareholders

	OS (MM)	OS (%)	FD (MM)	FD (%)
Jupiter	14.5	5%	14.5	4%
Management & Directors	19.2	6%	40.8	13%
Total	300.1	12%	326.0	17%

Corporate NAV Summary and Sensitivity

	Cormark					Spot
Forecast Copper Price, US\$/lb	\$4.25	\$3.50	\$4.00	\$4.50	\$5.00	\$4.18
Forecast Gold Price, US\$/oz	\$2,200	\$1,750	\$2,000	\$2,250	\$2,500	\$2,399
Forecast C\$/US\$ FX Rate	1.35	1.45	1.40	1.35	1.30	1.38
Cabaçal AT NAV7%, US\$MM	\$604	\$308	\$483	\$658	\$833	\$681
Corporate Adjustments, US\$MM	\$161	\$161	\$161	\$161	\$161	\$161
Additional Exploration Credit, US\$MM	\$50	\$50	\$50	\$50	\$50	\$50
Corporate NAV, US\$MM	\$814	\$518	\$694	\$869	\$1,044	\$892
Corporate NAV, C\$/FD Share	\$2.15	\$1.47	\$1.90	\$2.29	\$2.65	\$2.41
Current Price / Corporate NAV	0.2x	0.3x	0.2x	0.2x	0.2x	0.2x
Target Price / Corporate NAV	0.8x	1.2x	0.9x	0.8x	0.7x	0.7x
2028E Model CFPS, US\$	\$0.50	\$0.37	\$0.44	\$0.51	\$0.58	\$0.53
2029E Model CFPS, US\$	\$0.19	\$0.12	\$0.16	\$0.20	\$0.25	\$0.21

Model FD Shares (fully financed): 512MM

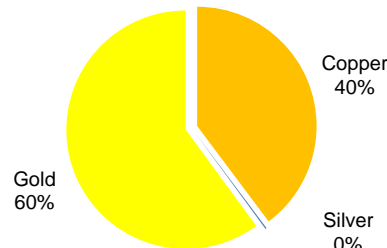
Metal Inventory (100% owned)

	Tonnes (MM)	Cu Grade (%)	Au Grade (g/t)	Copper (MMlb)	Gold (MMoz)	EV/lb CuEq (US\$/lb)
Cabaçal O/P Mineable	55.6	0.3%	0.6	380	1.1	-
Cabaçal U/G Mineable	-	-	-	-	-	-
Total Model Mineable	55.6	0.3%	0.6	380	1.1	\$0.07
Total M&I Resource	52.9	0.32%	0.64	373	1.1	-
Total Inferred	10.3	0.24%	0.68	54	0.2	-
Total Reserve & Resource	63.2	0.31%	0.65	428	1.3	\$0.06
Historic Resource	21.7	0.56%	0.61	268	0.4	\$0.15

Meridian Mining UK Societas Consensus Estimate Summary (Reuters data sourced via Capital IQ)

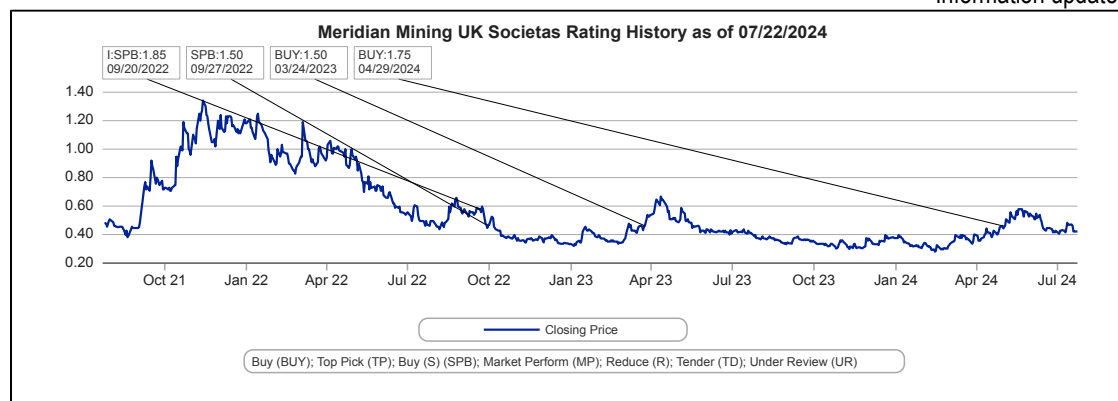
C\$	Analysts	Buys	Holds	Sells	Mn Target	High / Low	CSI vs. Cons.
Consensus Valuation	3	3	-	-	\$1.75	\$2.00 / \$1.50	-

LOM Revenue



Price Chart and Disclosure Statement

*Information updated monthly on or about the 5th of each month



* Cormark has this percentage of its universe assigned as the following:

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Market Perform	13%
Reduce or Tender	3%
Not Rated	1%

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Market Perform expected to perform with its peer group

Reduce expected to underperform its peer group

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