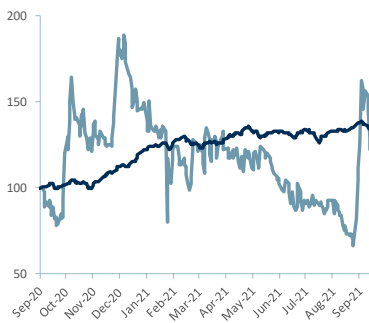


FLASH NOTE

VALUE RANGE

GBP 98 – 109



FTSE AiM vs. EUA (lighter line) price relative.

Valuation range is based upon full dilution and varies by FX, share issues and daily DCF model calculations

Friday, 17 September 2021

Intrinsic Price (GBP)	103.45
Value Range Low	98.28
Value Range High	108.63
Implied MCAP (m)	£2,964.43
Implied EV (m)	£2,964.16
AIM	EUA
Financial YE	31-Dec
Currency	GBP

Business Activity

PGM + Battery Metals

Mining

Key Metrics

Close Price (GBP)	27.48
MCAP (m)	£772.7
Net Debt (Cash) (m)	-£16.6
EV (m)	£756.1
52 Wk Hi	45.00
52 Wk Lo	5.07

Key Ratios

(Net Cash) /	-2.15%
Shareholder Equity %	
FX Rate USD/GBP	0.72

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Eurasia Mining Plc

EUA West Nittis and Loipishnune production

Eurasia Mining (EUA.L) an AiM-quoted Russian Pd / battery metals dominated PGM miner, released an RNS 15 Sep 21 stating upward changes to its expected production profile for its Kola peninsula, Monchetundra West Nittis (WN) and Loipishnune (Lo) smaller assets. The RNS suggests to us an acceleration to peak production and an increase in Pd volumes at that peak production rate, we are considering a possible revision to our estimates for the potential of these two smaller Monchetundra assets. We currently expect production to start at WN + Lo in 2023 and peak production to start in 2028, all of which is either subject to the production of JORC reports or the production of metals.

- Suggested production increase + improved metals concs. (WN+Lo);
- AISC in global 1st quartile – low-cost soft rock open pit mining;
- West Kytlim production rising;
- Activity in general at EUA appears accelerated post 7m suspension;
- ESG discipline broadens institutional investment potential.

ACF est. £ (k)	Revenue	EBITDA	FCF	EPS	EPS (diluted)
2022E	11,205	8,131	-1,869	0.19	0.19
2023E	1,995,399	1,415,720	1,196,720	34.60	33.95

Multiples	EV/ Revenue	EV/ EBITDA	EV/ FCF	P/ EPS	P/ EPS (diluted)
2022E	67.5x	93.00x	NM	141.02x	143.71x
2023E	0.4x	0.5x	0.6x	0.8x	0.8x

Investment Case

Platinum Group Metal (PGM) focused company – EUA is a PGM / battery metals (green metals) miner (Pd, Pt, Rh, Ir, Au, Zn, Cu, Co) with Russian assets and listed on the LSE AiM market. **Monchetundra DFS progress broadens management options and brings value crystallisation closer.**

In this note we carry out DCF, multiples (resources and reserves) and metals prices assumptions sensitivity analysis. Note that rhodium, iridium assets are not included in our valuation. Our new lower risk associated discount factor (WACC) for Monchetundra flanks 40 Moz is 16.7%.

Rhodium and iridium assets are excluded, and only conservative assumptions are included in our Rosgeo JV resources and reserves multiples sensitivity assumptions. **Rosgeo JV 104 Moz is excluded from our DCF valuation range analysis in this note.** Again, we remain highly conservative in our approach

Metals prices assumptions implied EUA EV sensitivity:

- EUA EV £2.78bn - metals av. prices 2020.
- **EUA EV £2.96bn - metals ACF price assumptions.**
- EUA EV £3.45bn metals spot prices.
- EUA EV £3.7bn metals av. prices 2021.

Our trading multiples analysis includes a Rosgeo JV asset resources estimate - suggests an EUA valuation of US\$ 10bn + (£7bn +), subject to JORC results.

Monchetundra, which could exceed 118 Moz of PGM plus battery metals following Rosgeo JV execution, is a low-cost open pit palladium (Pd)-driven project. The deposit is palladium-rich with a Pd to Pt ratio of 3:1 based on grade with a variation between 1.7 to 5.8 Pd/Pt, making it one of only a few new palladium-dominant development projects globally.

EUA's share of Monchetundra flanks 40 Moz could be worth more than £3.0bn alone and before any added contribution from the vast Rosgeo JV.

Catalysts

Monchetundra Rosgeo JV DFS and geology information. Development of Monchetundra flanks; installation of **3 more wash plants** at WK. Covid-19 accelerated policies for regional or a global green hydrogen transport economy.

Share Price History	No. of Shares in issue	Fully diluted
NoSh (m)	2,812	2,865
Implied Intrinsic Price	105.42	103.45
Value Range Low	100.15	98.28
Value Range High	110.69	108.63
AIM	EUA	
Financial YE	31-Dec	
Reporting Currency	GBP	

NoSh (m)	2,812
NoSh (m) expected dilution (Exp D)	2,812
NoSh (m) full dilution (FD)	2,865

Key Metrics	£	adj.
MCAP (m)	772.7	772.7
Net Debt (Cash) (m)	(16.6)	(16.6)
EV (m)	756.1	756.1
52 Wk Hi	45.00p	45.00
52 Wk Lo	5.07p	5.07
Free Float	79%	79%

*Key Metrics FCF adj.	2022E	2023E
CPS (GBp)	-0.07	42.6
CPS (Exp D) (GBp)	-0.07	42.6
CPS (FD) (GBp)	-0.07	41.8
P/CPS	NM	0.6x
P/CPS (Exp D)	NM	0.6x
P/CPS (FD)	NM	0.7x

Note FX effect of strengthening GBP vs. USD – revenues in USD, costs in RUB, reporting currency GBP. We have reduced GBP reporting revenues on strengthening GBP vs. USD, but we have not reduced costs on falling RUB vs. USD revenues - a conservative approach.

Glossary

EBIT	Earnings before interest and tax (also often referred to or equates to operating profit).
EBITDA	Earnings before interest, depreciation and amortisation – the presentation of EBITDA by companies is not a requirement of UK GAAP or IFRS accounting standards. However, in certain cases it can act as a close proxy to free cash flow.
EBT	Earnings before tax. Also often expressed as PBT – profit before tax.
FCF	Free Cash Flow generated in ACF’s models after all obligatory cash costs have been satisfied such as Interest payable (Ip), cash taxes and maintenance capex (as opposed to investment capex). FCF represents the cash remaining for theoretical distribution or investment after all obligatory cash-based costs including net interest payable have been deducted.
EUA	Eurasia Mining Plc (EUA) the subject company of this ACF research note.
JV	Joint Venture – generally a legal structure between two corporate entities involving participation in equity capital in the JV vehicle. JV can also refer to more informal arrangements.
PGM	Platinum Group Metals (PGM) refers to six metals namely ruthenium, rhodium, palladium, osmium, iridium, and platinum.
Pd	Refers to the symbol for palladium.
Pt	Refers to the symbol for platinum.
NoSh	Number of Shares in issue (NoSh).
NPV	Net Present Value (NPV) refers to the current value of future cash flows generated by the project.
WACC	Refers to the weighted average cost of capital for the firm.

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