

RESEARCH UPDATE
Dave Storms, CFA
Dave@stonegateinc.com

214-987-4121

Market Statistics

Price:	\$0.78
52 week Range	\$0.75 - \$1.36
Daily Vol (3-mo. average)	55,550
Market Cap (M):	\$81.0
Enterprise Value (M):	\$91.2
Shares Outstanding: (M)	103.9
Float	78.9%
Public Ownership	71.5%
Institutional Ownership	7.5%

Financial Summary

Cash & ST Invst (M)	\$2.1
Cash/Share	\$0.02
Debt (M)	\$40.5
Equity (M)	\$4.2
Equity/Share	\$0.04

FYE: Dec	2021	2022	2023E
(in \$M)			
Rev	24.1	62.4	99.8
Chng %	NA	159.3%	60.0%
EBITDA	\$4.91	\$24.72	\$38.94
EPS	-\$0.33	\$0.18	\$0.22


Company Description

Steppe Gold is Mongolia's premier precious metals company and is projected to produce up to 70k ounce of gold from the current operational oxide zone of ATO Gold Mine in 2023 and 2024 combined. The Company also completed a feasibility study into expansion of the ATO Gold Mine to over 103,000 ounces of gold per annum from the development of underlying fresh rock ores. Steppe Gold became public as the only main board mining IPO in 2018 raising \$25M. The Company is headquartered out of Ulaanbaatar, Mongolia.

STEPPE GOLD, LTD. (TSX: STGO)
Company Updates

Updated Technical Report: In March of 2023 the Company released an updated technical report that showed very promising updates to the ATO project. Highlights include an increase in proven and probable reserves to 29.1 million tons, up from 26.4 million tons. This is at a grade of 1.13 g/t gold and 12.43 g/t silver for a total estimation of 1.1million ounces of gold and 11.7 million ounces of silver at the ATO site. This brings the total expected gross revenue for the project to \$2.2 billion.

Funding Secured: In May 2023, STGO completed a non-brokered private placement raising a total of \$12.1 million. Proceeds will be deployed to accelerate the Phase 2 Expansion at ATO, fund exploration, and complete a proposed dual listing on the Hong Kong Stock Exchange. In July 2023, the Company signed a binding term sheet that will provide up to US\$150M to fully fund the construction and completion of Phase 2. This transaction significantly de-risks the project and provides three tranches of financing, starting with US\$50M in July 2023, with payback not scheduled until after the completion of the Phase 2 Expansion.

Anacortes Acquisition: In May of 2023 the company announced the signing of an Arrangement Agreement, notifying the market that it had acquired all outstanding shares of Anacortes Mining Corp. ("Anacortes"). We note the positive synergies expected to result from this transaction, largely based on the expansion of STGOs' footprint into Peru. Approval for this transaction was acquired at Anacortes' June shareholder meeting and the transaction closed on June 28, 2023.

ATO Continues Production: Steppe Gold's flagship project Altan Tsaagan Ovoo (ATO) is fully constructed and began producing gold and silver in the Spring of 2020. For F22, the Company has updated that they produced 33,500 ounces of gold in FY22. This was driven by 958,288 tons mined and 922,051 tons crushed and stacked. To date the Company has produced over 91,000 gold ounces with an estimated 70,000 gold ounces of fresh rock left.

ATO Expansion Project Moving Forward: Steppe has three diamond core exploration drilling rigs focusing on resource extensions at AT01 and AT04 as well as Mungu, a high grade, near surface gold and silver potential site located northeast of the current resources at the ATO project. This project is highlighted by an expected production of 100,000 oz of gold annually, an estimated mine life of 14 years, and an after-tax NPV 5% of \$242M. Production on phase 2 is expected to start in Q1 2025. Steppe has just recently announced they have discovered a new high grade zinc sulphide intercept beneath the ATO gold deposits.

Additional Exploration Assets: Steppe's Uudam Khundii (UK) property currently encompasses 14,397 hectares located 800km south-west of Ulaanbaatar and holds one exploration license. Steppe Gold has commenced initial exploration activities on the property. Steppe has announced the completion of initial drilling at the Mungu location results showing 3.2 million tons of proven and probable reserves at an average gold grade of 1.20 g/t for a measured gold equivalent of 122,000 ounces.

Valuation: We combine the separate DCF analysis of our mine models to arrive at a range of C\$4.43 to C\$5.54 with a mid-point of C\$4.98. See pages 9 and 10 for further details.

Business Overview

Steppe Gold is a precious metals explorer and producer based out of Ulaanbaatar, Mongolia that is focused on developing its existing assets in Mongolia. The Company currently has 3 assets consisting of its flagship Altan Tsagaan Ovoo (ATO) project, Mungu discovery, and Uudam Khundii (UK) project. Steppe has also announced the acquisition of Anacortes Mining (owned 100% of the Tres Cruces gold project in Peru) which expands Steppe's footprint into Latin America. This acquisition was completed at the end of June.

Steppe Gold became the only mining IPO on the Toronto stock exchange in 2018 when they announced the closing of its initial public offering on May 22nd, 2018. The offering saw the Company issue 10.6M units at a price of C\$2.00 per unit for gross proceeds of C\$21.1M. Each unit is composed of one common share and one warrant exercisable at C\$2.34 for 24 months, or until May 2020. The Company used proceeds from its IPO to fund working capital and complete construction of its heap leach plant at ATO.

The Company purchased its flagship property, ATO, from Centerra Gold Inc. in 2017 with the goal of establishing a near-term, low cost producing mine as the Company's initial project. To date the Company has produced over 91,000 gold ounces with an estimated 70,000 gold ounces of fresh rock left. Going forward, the Company is targeting annual production of ~103,000 oz AU annually.

In addition to the flagship project purchased from Centerra Gold, Steppe Gold has been focused on developing two other properties. The Mungu discovery, located northeast of the ATO project, is an epithermal gold-silver system with localized bonanza grades. The stage 2 drilling, which was finished in Summer 2018, delivered the first visible gold seen with super high grades being recovered. Stage 3 saw 8 drill holes completed with results currently pending.

In 2023 the Company released an updated technical report that increased proven and probable reserves to 29.1 million tonnes, up from 26.4 million tons.

Exhibit 2: ATO Project Site



Source: Company Reports

Steppe Gold's goal is to become one of the leading gold producers in Mongolia with regional consolidation opportunities present. The mining sector currently accounts for 20% of GDP and 85% of exports in Mongolia and is a large economic driver of growth in the region. The current majority government, the Mongolian People's Party, is a supporter of foreign investment into the region and introduced the "Gold-2" program in 2017, to support gold companies and double annual gold production in the country by the end of 2020. Steppe Gold has been a recipient of this "Gold-2" program and is considered a national success story. There

Exhibit 1: Steppe Gold's Mongolian Operations

Steppe Gold owns exploration, development and production assets.



Source: Company Reports

This is at a grade of 1.13 g/t gold and 12.43 g/t silver for a total estimation of 1.1 million ounces of gold and 11.7 million ounces of silver at the ATO site. Additionally, the Company recently announced a new high grade Zinc Discovery beneath the existing ATO gold deposit.

Lastly, the Uudam Khundii (UK) project is comprised of one exploration license granted in August 2017, covering 14,397 hectares roughly 800km southwest of Ulaanbaatar. The property is between two known gold deposits explored by Erdene Resource Development, the Bayan Khundii gold discovery and Altan Nar epithermal gold deposit.

are several competitors currently operating in the region including Erdene Resources (TSX: ERD), Rio Tinto Group (LSE: RIO), and Xanadu Mines (ASX: XAM).

The Company's founder, Matt Wood, has extensive operating history in the country including the founding of a Mongolian Coal Company, Hunnu Coal Limited, which Mr. Wood sold to Banpu PCL in 2011 for AUD\$500M. The Company's CEO, Bataa Tumur-Ochir, was appointed on December 2nd, 2019, following the final permitting of the ATO mine. Mr. Tumur-Ochir is a founding Director of the Company and has been instrumental in the growth of the Company. The Company is hoping to leverage both Mr. Wood's and Mr. Tumur-Ochir's extensive experience and key relationships in Mongolia to continue growing Steppe's resources and low-cost production. In June of 2023, Mr. Tumur-Ochir was appointed to Chairman of the Company, replacing Mr. Wood who will stay on as a Non-Executive Director and act as an advisor to the Board.

Exhibit 3: Company Milestones

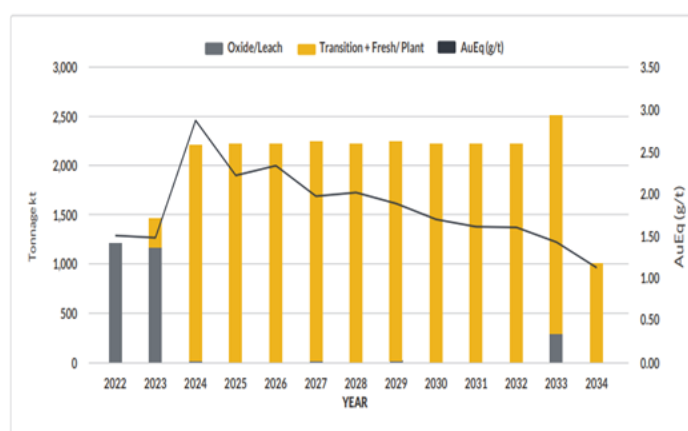


Source: Company Reports

ALTAN TSAGAAN OVOO (ATO) PROJECT

The Company's Altan Tsagaan Ovoo (ATO) project was purchased from Centerra Gold in 2017. Located in the territory of Tsagaan Ovoo soum in Eastern Mongolian, the ATO project is comprised of one mining license for an area of 5,492.63 hectares. After acquiring the property in 2007, Centerra invested US\$25M into the area drilling 597 holes and a total of 63,866m of exploration. Centerra also completed geologic mapping, soil and outcrop sampling, and a gravity survey. In a technical report in October 2017, a developmental plan for a heap leach operation was formed for an estimated cost of US\$19.6M and total operating cost of US\$48.8M. The project was estimated to produce roughly 147K ounces of gold and 673K ounces of silver over the life of the mine.

Exhibit 4: Expected Production Schedule



Source: Company Reports

In May 2018, Steppe Gold finalized a gold and silver streaming agreement with Triple Flag Mining Finance to receive US\$23M to establish the heap leach plant at ATO. The goal of the project is to leverage the US\$25M investment made by Centerra in order to quickly scale gold and silver production that will create high margin cash flow for the business. The estimates of current cash cost per ounce are less than US\$550, which has created a healthy cash flow margin based on current spot rates around US\$1,800/oz.

The majority of the ATO gold and silver is contained in three vertical pipes named ATO 1, ATO 2, and ATO 4. The Company has based these resources off of 32,791 samples from 238 drill holes, most of which were completed prior to STGO's acquisition of the project.

In March 2023, the Company announced an updated mineral resource estimate at the ATO gold mine that showed an increase in resources to 29.1 million tons in proven and probable gold mineral reserves, up from 26.4 million at last count.

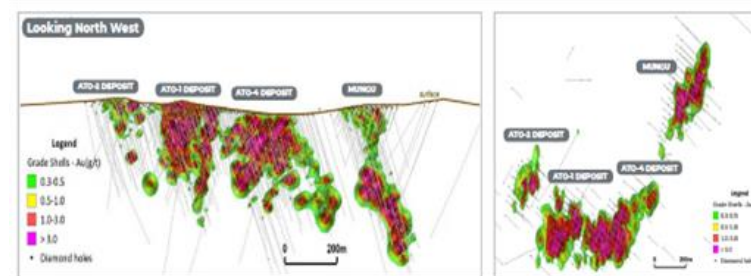
The ATO plant is an open pit heap leaching project that provides a cost-effective way to extract the gold from the earth. The process of heap leaching involves using a chemical reaction to separate the desired minerals like gold and silver from the ore. Steppe Gold will specifically truck in crushed ore from the mine to place onto collection pads, which will then be treated with cyanide in order to pull the gold and silver from the ore at the recently completed adsorption, desorption, and refining (ADR) plant. The current mine resources at ATO are expected to be processed over the course of 4 years, however, it is possible that resource expansion may occur.

Exhibit 5: ATO Project Sites



Source: Company Reports

Exhibit 6: 3D View of estimated Au block grades at ATO pipes



Source: Company Reports

Exhibit 7: ATO Gold Mine Resource Estimate – August 2022

	Ore	GRADE					ATTRIBUTABLE METAL		
	(kt)	AuEq (g/t)	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	AuEq (k oz)	Au (k oz)	Ag (k oz)
PROVEN									
Oxide	1,159	1.14	0.70	9.50	0.44	0.36	43	26	355
Transition	361	1.57	0.72	10.32	0.41	0.70	18	8	120
Fresh	15,728	1.99	1.27	12.92	0.43	0.77	1,007	643	6,554
Total	17,247	1.92	1.22	12.64	0.43	0.74	1,068	677	7,029
PROBABLE									
Oxide	905	0.92	0.56	6.71	0.43	0.34	27	16	196
Transition	372	1.47	0.70	11.35	0.27	0.48	18	8	136
Fresh	10,606	1.65	1.06	12.62	0.35	0.65	563	361	4,316
Total	11,883	1.59	1.01	12.13	0.36	0.62	608	385	4,648
PROVEN & PROBABLE									
Oxide	2,063	1.04	0.64	8.28	0.44	0.35	69	42	551
Transition	733	1.52	0.71	10.84	0.34	0.59	36	17	256
Fresh	26,334	1.85	1.18	12.80	0.40	0.72	1,571	1,004	10,870
Total	29,130	1.78	1.13	12.43	0.40	0.69	1,676	1,063	11,677

Source: Company Reports

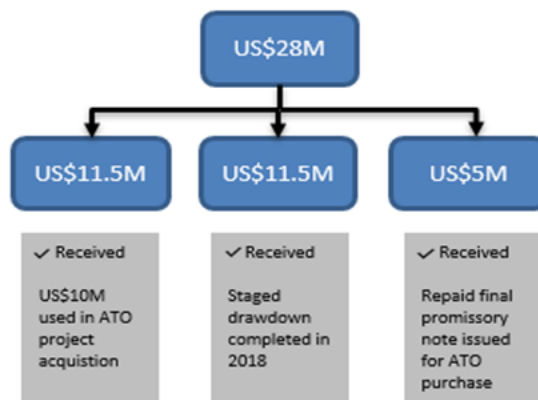
In order to finance the mine, Triple Flag Mining Finance agreed to a streaming contract wherein Triple Flag would deliver US\$23M to STGO in two separate \$11.5M tranches. As of September 2019, Steppe Gold and Triple Flag amended the agreement where Triple Flag would advance an additional US\$5M to STGO bringing the total to \$28M. In return for the upfront capital, Steppe Gold is obligated to sell Triple Flag 25% of the gold and 50% of the silver produced from the ATO project at 17% of the spot rate until Steppe has sold an aggregate of 46,000 ounces of gold and 375,000 ounces of silver, respectively. After Steppe Gold has

reached these amounts, the obligation to sell is capped at 5,500 ounces of gold and 45,000 ounces of silver for the life of the mine within the stream area. Given the low startup cost and economics of the heap leaching plant, the Company is still anticipated to have a healthy cash flow margin when taking the agreement into account.

Commercial production began at the ATO Gold Mine in Q220. To date the Company has produced over 91,000 gold ounces with an estimated 70,000 gold ounces of fresh rock left. Going forward, the Company is targeting annual production of ~103,000 oz AU from the Phase 2 Expansion, starting in 2025.

Exhibit 8: Triple Flag Streaming Agreement

TRIPLE FLAG STREAM AGREEMENT SUMMARY



Metals Delivery Obligations:

25% of gold & 50% of silver produced at ATO for 17% of prevailing spot prices

Equity Placement

CS\$4M invested at CS\$2.00/unit (~6.4% Pre-IPO interest)

Source: Company Reports

ATO & Phase II Expansion

The Company recently reached a milestone in March of 2023 via the completion of a technical report for the ATO Gold Project. Importantly the mine life was extended to a total of 14 years. Additionally, the studied showed an after-tax NPV_{5%} of US\$242M with an IRR of 67%, and a payback in 3 years.

Construction for phase II started in the Q3 2021 with a projected capex of \$128M. Importantly, the Phase II expansion project has all major permits in hand with construction planned for 2Q23. Production from the expansion phase is projected to produce a further 1.2 million AuEQ ounces.

Exhibit 10: Construction Schedule

Project Milestone	2022				2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Plant Terrace Construction Start	X							
Fixed Crusher Operational	X							
Building Drawings Complete	X							
Process Building Complete				X				
Primary Mill SMPP Installation Complete							X	
Commissioned & Closed Out								X
1st Concentrate Produced								X

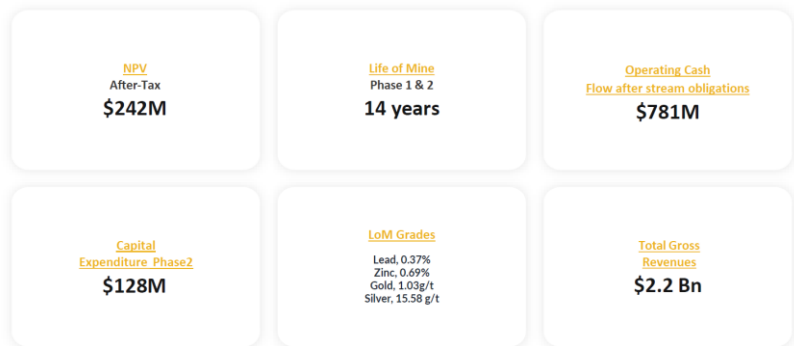
Source: Company Reports

In September 2020, Steppe Gold secured an initial tranche of funding from the Gold-2 Program financing, securing US\$10.5M. The Company also announced a \$65M project financing raise in November 2021. Of the \$65M, approximately \$59.7M was funded through the Gold-2 National Program, facilitated by the Central Bank of Mongolia. This financing is for a 3-year term at 9% interest paid monthly. The Company also obtained an additional \$5M for working capital purposes. This loan will be repaid over a 12-month period based on gold sales.

Final financing for this project was secured in July 2023 as Steppe Gold signed a term sheet proving US\$150M in financing over 3 tranches. Each tranche is worth US\$50M with the first tranche already approved to purchase equipment. Repayments are postponed until after the completion of the Phase 2 Expansion with an annual interest rate of 12%. With this term sheet, the Company has fully financed the Phase 2 Expansion, significantly de-risking the project.

Exhibit 9: Feasibility Study Highlights

Key Financial Metrics



Source: Company Reports

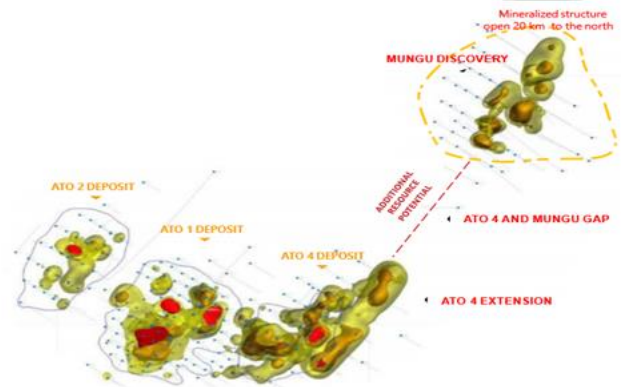
MUNGU DISCOVERY

The Mungu Gold and Silver discovery is located northeast of the resources at the ATO project. It is a structurally controlled epithermal gold-silver system with localized Bonanza grades. In Q418, the Company finished a Stage 3 drilling program totaling 8,000m in the Mungu Deposit, Mungu Gap, and the Mungu Extended prospects. The initial drill results at Mungu were promising including the first visible gold being seen at ATO with super high grades being returned.

The first drilling by Steppe at Mungu returned 15 g/t Au and 82 g/t Ag over 46 m. The Mungu discovery has the potential to drastically increase the size of the resource for Steppe Gold, with internal geologists suggesting the possibility of an established resource of 500k oz at Mungu.

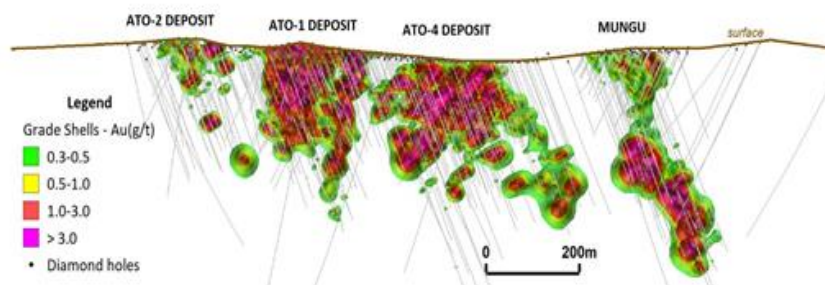
In addition to the 20 km mineralized structure northeast of the ATO project, there is additional resource potential at the ATO 4 extension and Mungu Gap. To date, there have been very few effective drill holes established away from the Mungu Discovery.

Exhibit 11: Mungu Discovery



Source: Company Reports

Exhibit 12: Initial Mungu Highlights



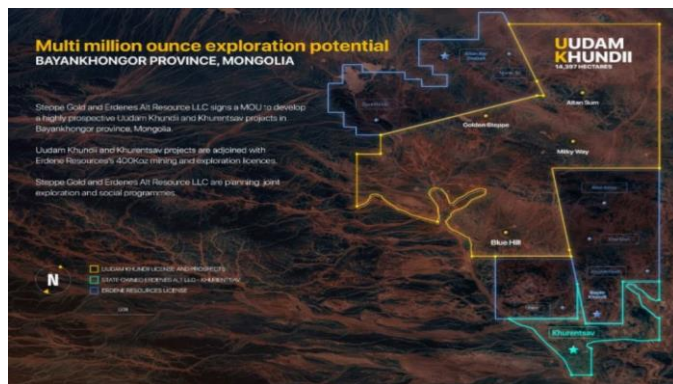
Source: Company Reports

Most recently, per the updated technical report, initial estimates have come back for the Mungu Deposit. The Company noted that there is still work to be done here, but there remains the expansion potential for this discovery. In the most recent technical report drilling took place at the Mungu site to the tune of an additional 10 holes covering 3,069 meters. The drilling at Mungu returned 3.2 million tons of proven and probable reserves at an average gold grade of 1.20 g/t for a measured gold equivalent of 122,000 ounces.

UUDAM KHUNDII (UK) PROJECT

The Uudam Khundii Project is comprised of one exploration license granted in August 2017 covering 14,397 hectares of land located 800km southwest of Ulaanbaatar. The property is located in between the Bayan Khundii gold discovery and Altan Nar epithermal gold deposits which were explored by Erdene Resource Development Corporation. The UK project is owned 80% by STGO and 20% by the provincial government of Bayankhongor in a first of its kind agreement for the region.

Exhibit 13: Uudam Khundii Project



Source: Company Reports

In the second half of 2018, the Company began initial exploration on the property including geological mapping, geological sampling, geophysical surveys, and trenching.

To date, the Company has completed a total of 99 drill holes for 16,157.5 meters, 2400.8-line kilometer ground magnetic survey and a 90.8-line kilometer IP survey. Exploration results for the project have been above its initial expectations and have further underscored the high-grade potential of the ATO project. As of July 2022, the Company commenced the maiden exploration program on its 4 new discoveries. Samples indicate the potential for 1.49 g/t of gold grade and 450 g/t of silver grade.

TRES CRUCES PROJECT

The Tres Cruces Project became a Steppe Gold asset, through the acquisition of Anacortes Mining Corp. in June 2023, in an all-share transaction. It is an already producing mine located in Peru approximately 10km from the Lagunas Norte mine. Following the transaction, Steppe Gold and Anacortes own approximately 79% and 21% of the combined company, respectively. With a resource base of 2.6M gold equivalent ounces and a potential development profile of 481,000 ounces over 7 years, this acquisition has positioned STGO as a multi-asset, multi-jurisdiction gold company operating in two of the most excited gold provinces in the world. Pro forma estimates show Steppe growing LOM annual production by 66%, firmly placing STGO among the top junior gold producers.

Exhibit 14: Tres Cruces Project



Source: Company Reports

Risks

As with any investment, there are certain risks associated with Steppe's operations as well as with the surrounding economic and regulatory environments common to the mining industry and operating in a foreign country.

- Even if Steppe Gold harvests a significant amount of resources from the ground, there is no guarantee that a profitable market will exist for those resources. Precious metals are subject to significant price movements in a short period of time.
- The Company has a short history of net income and cash flow. There can be no assurance that the Company will be profitable going forward. In the case that the Company cannot create enough revenue to sustain on-going business activities, Steppe's only source of financing will be through the sale of existing securities, high cost borrowing, or sale of its mineral properties.
- Mineral Reserves and grades are estimates only. There are many uncertainties in estimating mineral quantities of mineral reserves that may cause actual results and quantities to differ from those estimated. In the event that these resources are less bountiful than anticipated, the mine life and cash flow could be severely reduced.
- Steppe Gold has pledged a material amount of the gold and silver mined to Triple Flag in exchange for initial project financing. In addition, the Company has pledged a majority of its substantial assets at the ATO project for security to Triple Flag. This agreement could affect Steppe's ability to raise additional capital in the future. Lastly, if Triple Flag were to realize this security, the Company could lose interest in the ATO project.
- The Company intends to take the ATO project to the production stage, however, this will require additional permits and licenses from governmental authorities. The Company currently believes that they have or have applied for all the necessary licenses to carry out its exploration and production plans but may require additional licenses and permits going forward. There is no guarantee that Steppe Gold will be able to retain any additional licenses.
- The Company operates in Mongolia and maintains its accounts in Canadian and U.S. dollars as well as Mongolian Tughrig. Some of the Company's commitments and expenditures are denominated in U.S. dollars making the Company subject to currency fluctuations. Such fluctuations may materially affect the financial position of the Company. The Company engages in limited hedging activities, however, there is no guarantee these hedging activities will be sufficient to defend against prolonged currency fluctuations in the future.

VALUATION SUMMARY

To help frame our valuation, we have created a DCF analysis of our mine models for phase I and phase II at the ATO mine as well as for the Tres Cruces Porject. Our cash flow projections are based on conservative assumptions supported by the Company's most recent technical reports along with current guidance/projections from Steppe Gold. Below is a review of our assumptions and sensitivity analysis.

Phase I ATO Mine:

- 5-year mine life (2.5 yrs remain)
- 1.8M tonnes/yr processed from 2022-2025
- Average Gold g/t of 1.69 over mine life
- Average Silver g/t of 7.91 over mine life
- Gold / silver recovery at 70% / 20%
- Gold / Silver price: \$1,850 / \$24.00
- AISC (oz): \$750
- USD/CAD: 1.30

Discount Rate		Long Term Gold Price				
		\$ 1,650	\$ 1,750	\$ 1,850	\$ 1,950	\$ 2,050
	12.0%	0.91	0.91	0.91	0.91	0.91
	12.5%	0.91	0.91	0.91	0.91	0.91
	13.0%	0.90	0.90	0.90	0.90	0.90
	13.5%	0.90	0.90	0.90	0.90	0.90
	14.0%	0.90	0.90	0.90	0.90	0.90

Phase II ATO Mine:

- 14-year mine life; 2023-2025 plant construction; 2025 production starts
- Construction capex \$128M; (~\$60M raised in Q321, US\$150M Term Sheet signed in 2Q23)
- 2.2M tonnes processed/yr
- Average Gold g/t of 1.68 over mine life
- Average Silver g/t of 7.15 over mine life
- Gold / silver recovery at 70% / 20%
- Gold / Silver price: \$1,850 / \$24.00
- AISC (oz): \$950
- USD/CAD: 1.30

Discount Rate		Long Term Gold Price				
		\$ 1,650	\$ 1,750	\$ 1,850	\$ 1,950	\$ 2,050
	12.0%	2.63	2.70	2.77	2.84	2.91
	12.5%	2.51	2.58	2.65	2.72	2.79
	13.0%	2.40	2.47	2.54	2.61	2.68
	13.5%	2.30	2.37	2.44	2.51	2.57
	14.0%	2.20	2.27	2.33	2.40	2.47

Tres Cruces Project:

- 7-year mine life
- Initial capex of \$125.2M
- Average annual gold production of 68,000 ounces
- Gold price: \$1,850
- AISC (oz): \$734
- USD/CAD: 1.30

		Long Term Gold Price				
Discount Rate		\$ 1,650	\$ 1,750	\$ 1,850	\$ 1,950	\$ 2,050
	12.0%	0.93	1.27	1.62	1.96	2.30
	12.5%	0.90	1.24	1.57	1.91	2.24
	13.0%	0.87	1.20	1.53	1.86	2.19
	13.5%	0.84	1.17	1.49	1.82	2.14
	14.0%	0.81	1.13	1.45	1.77	2.09

Combining the separate valuations for phase I, phase II, and Tres Cortes, we arrive at a range of C\$4.43 to C\$5.54 with a mid-point of C\$4.98. We believe our discount rates are appropriate as phase I and Tres Cortes are in production and phase II secured financing for the expansion, removing a considerable amount of uncertainty. Given STGO's expanded resource base and history of operations we believe this valuation is reasonable as it brings STGO more in-line with peers .

BALANCE SHEET

Steppe Gold, Inc. (TSX: STGO)													
Consolidated Balance Sheets (in millions, US\$)													
Fiscal Year: December													
ASSETS	FY 2019	FY2020	Q1 Mar-21	Q2 Jun-21	Q3 Sep-21	Q4 Dec-21	FY2021	Q1 Mar-22	Q2 Jun-22	Q3 Sep-22	Q4 Dec-22	FY2022	Q1 Mar-23
Assets													
Cash	\$ 0.7	\$ 15.1	\$ 8.5	\$ 6.4	\$ 1.0	\$ 2.6	\$ 2.6	\$ 17.3	\$ 0.5	\$ 4.8	\$ 2.5	\$ 2.5	\$ 1.3
St investments	-	5.0	5.0	5.0	4.9	1.4	1.4	1.5	1.4	1.3	0.4	0.4	0.7
Receivables and Other Assets	1.1	3.4	4.5	6.7	7.7	5.5	5.8	6.0	6.2	5.9	2.5	2.5	2.6
Inventory	8.4	9.9	14.1	14.7	19.8	22.4	22.4	24.5	26.0	23.5	24.2	24.2	25.9
Prepaid Tax	-	-	-	-	-	0.3	-	0.3	-	-	-	-	-
Other	-	-	-	-	-	-	-	5.1	23.9	33.1	-	-	-
Total Current Assets	10.2	33.4	32.1	32.7	33.4	32.3	32.3	54.7	58.0	68.6	29.6	29.6	30.5
Restricted Cash	-	12.5	15.5	15.4	68.2	69.2	69.2	37.3	15.9	-	-	-	-
Uudam Khundii Project	2.0	1.9	1.9	1.9	1.9	1.9	1.9	1.8	1.7	1.6	1.6	1.6	1.5
Property, plant and equipment	41.3	37.5	37.9	37.3	36.2	36.0	36.0	35.2	33.1	39.0	39.3	39.3	38.6
Deposits on PPE	-	-	1.0	1.2	3.5	6.0	6.0	6.7	8.0	-	-	-	-
Deferred Tax	-	0.4	0.3	-	-	0.9	0.9	1.0	0.7	0.8	2.2	2.2	2.2
Total Assets	\$ 53.4	\$ 85.7	\$ 88.6	\$ 88.5	\$ 143.2	\$ 146.3	\$ 146.3	\$ 136.7	\$ 117.5	\$ 110.0	\$ 72.7	\$ 72.7	\$ 72.8
LIABILITIES AND SHAREHOLDERS' EQUITY													
Current Liabilities													
Amounts Payable and Other Liabilities	\$ 5.7	\$ 3.9	\$ 4.7	\$ 3.8	\$ 7.7	\$ 6.6	\$ 6.6	\$ 7.2	\$ 9.9	\$ 9.7	\$ 11.0	\$ 11.0	\$ 8.3
Current Portion of Streaming Arrangement	10.4	8.8	6.8	6.8	6.9	23.3	23.3	19.2	25.3	20.9	15.7	15.7	17.1
Lease Liability	0.4	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2
Current Portion of Tax Liability	-	-	-	0.5	0.2	-	-	-	-	1.9	2.4	2.4	2.3
Purchase Price Payable	0.4	-	-	-	-	-	-	-	-	-	-	-	-
Current Portion of Long Term Loan	-	3.6	7.1	7.0	28.9	38.9	38.9	23.7	16.5	36.2	-	-	-
Convertible Debentures - Loan Liability	-	-	2.4	2.5	2.7	2.9	2.9	-	-	-	-	-	1.8
Convertible Debentures - Derivative	5.5	5.8	4.5	3.3	1.4	1.1	1.1	2.7	1.6	1.0	1.3	1.3	0.9
Short term loan- TDB Gold sales loan	-	-	-	-	-	-	-	9.9	-	2.8	-	-	5.0
Short term loan - Triple Flag Gold Prepay loan	-	-	-	-	-	-	-	-	-	5.0	4.5	4.5	2.0
Total Current Liabilities	22.3	22.3	25.7	24.2	47.9	72.9	72.9	63.0	53.4	77.6	35.1	35.1	37.7
Long Term Liabilities													
Streaming Agreement	15.4	24.8	14.0	12.9	12.6	23.6	23.6	31.0	17.8	16.0	12.1	12.1	11.2
Lease Liability	0.2	0.0	0.6	0.6	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.5
Asset Retirement Obligation	0.3	1.1	0.9	1.5	2.1	3.2	3.2	3.9	5.4	3.5	3.4	3.4	3.3
Deferred tax liability	-	-	-	0.1	0.6	-	-	-	-	-	-	-	-
Convertible Debentures - Loan liability	4.2	2.2	-	-	-	-	-	1.1	1.2	1.4	1.6	1.6	-
Long Term Loan	-	7.1	6.4	6.3	38.5	39.0	39.0	37.3	35.0	-	2.8	2.8	2.8
Total Long Term Liabilities	20.0	35.2	21.8	21.4	54.3	66.3	66.3	73.8	59.9	21.3	20.3	20.3	17.7
Total Liabilities	42.4	57.5	47.5	45.6	102.1	139.3	139.3	136.7	113.3	98.9	55.4	55.4	55.4
Shareholders' Equity													
Share Capital	22.5	54.1	54.1	54.1	54.7	55.3	55.3	55.3	55.3	55.8	55.8	55.8	57.8
Shares to be issued	-	0.9	0.9	0.9	0.9	-	-	-	-	-	-	-	-
Warrants	13.7	11.2	11.2	11.2	11.2	11.2	11.2	11.2	11.2	5.6	5.6	5.6	5.6
Contributed Surplus	3.8	10.1	10.6	11.2	10.9	11.7	11.7	12.0	12.2	17.4	19.6	19.6	17.6
Non-controlling interest	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)	(0.3)	(0.3)	(0.3)	(0.3)	(0.4)	(0.5)	(0.5)	(0.5)
Accumulated other Comprehensive income (loss)	(5.4)	(7.3)	(7.5)	(7.9)	(7.9)	(7.8)	(7.8)	(9.0)	(11.2)	(15.6)	(16.1)	(16.1)	(15.6)
Deficit	(23.4)	(40.5)	(28.0)	(26.4)	(28.5)	(63.1)	(63.1)	(69.2)	(62.9)	(51.8)	(47.2)	(47.2)	(47.6)
Total Shareholders' Equity (deficit)	11.1	28.2	41.1	42.9	41.1	7.0	7.0	0.0	4.2	11.1	17.2	17.2	17.4
Total Liabilities and Shareholders' Equity	\$ 53.4	\$ 85.7	\$ 88.6	\$ 88.5	\$ 143.2	\$ 146.3	\$ 146.3	\$ 136.7	\$ 117.5	\$ 110.0	\$ 72.7	\$ 72.7	\$ 72.8
Liquidity													
Current Ratio	0.5x	1.5x	1.3x	1.4x	0.7x	0.4x	0.4x	0.9x	1.1x	0.9x	0.8x	0.8x	0.8x
Quick Ratio	0.1x	1.1x	0.7x	0.7x	0.3x	0.1x	0.1x	0.5x	0.6x	0.6x	0.2x	0.2x	0.1x
Working Capital	(12.17)	11.09	6.43	8.54	(14.41)	(40.70)	(40.70)	(8.26)	4.66	(9.06)	(5.54)	(5.54)	(7.20)
Leverage													
Net Debt to Equity	272.3%	116.0%	66.7%	68.9%	217.4%	1796.8%	1796.8%	4977250.0%	2386.2%	683.3%	209.5%	209.5%	206.8%
Net Debt to Capital	73.1%	53.7%	40.0%	40.8%	68.5%	94.7%	94.7%	100.0%	96.0%	87.2%	67.7%	67.7%	67.4%
Capital Usage- Annualized													
A/R Turns	-	25.7x	1.7x	7.7x	1.7x	5.2x	5.2x	3.7x	11.4x	14.4x	17.1x	14.9x	14.9x
Days Sales Outstanding	-	14.2	219.6	47.3	213.5	70.2	69.8	98.6	32.1	25.3	21.4	24.4	24.5
A/P Turnover	-	4.9x	0.9x	5.9x	2.2x	2.2x	2.7x	1.8x	4.0x	4.3x	3.6x	3.6x	1.6x
Days Payables outstanding	-	74.1	427.4	61.9	163.1	164.6	132.8	201.0	91.2	85.3	100.5	101.7	228.5

Source: Company Reports, Stonegate Capital Partners

INCOME STATEMENT

Steppe Gold, Inc. (TSX: STGO)																
Consolidated Statements of Income (in millions US\$, except per share amounts)																
Fiscal Year: December																
	FY 2020	Q1 Mar-21	Q2 Jun-21	Q3 Sep-21	Q4 Dec-21	FY 2021	Q1 Mar-22	Q2 Jun-22	Q3 Sep-22	Q4 Dec-22	FY 2022	Q1 Mar-23	Q2 E Jun-23	Q3 E Sep-23	Q4 E Dec-23	FY 2023E
Total revenues	\$ 58.1	\$ 1.6	\$ 10.8	\$ 3.1	\$ 8.6	\$ 24.1	\$ 5.5	\$ 17.2	\$ 21.7	\$ 18.0	\$ 62.4	\$ 9.5	\$ 52.6	\$ 27.9	\$ 12.5	\$ 99.8
Cost of Sales	23.6	0.9	6.3	3.2	4.0	14.4	3.1	8.5	10.5	9.4	31.5	3.9	26.5	16.5	9.0	57.0
Gross Profit	34.5	0.7	4.5	(0.2)	4.6	9.7	2.3	8.7	11.2	8.6	30.8	5.7	26.1	11.3	3.5	42.7
Gross Margin %	59.3%	43.6%	41.5%	-4.9%	53.9%	40.1%	42.7%	50.4%	51.8%	47.6%	49.4%	59.4%	49.7%	40.6%	27.9%	42.8%
Operating expenses																
Exploration and Evaluation Expenditures	2.8	0.2	0.2	0.5	0.5	1.3	0.0	0.8	0.9	0.4	2.1	0.1	5.3	2.8	1.3	9.4
Corporate administration	9.2	2.1	2.1	2.3	2.7	9.1	1.9	2.2	2.3	6.5	13.0	2.0	2.5	2.5	2.5	9.5
Operating profit (loss)	22.5	(1.5)	2.1	(2.9)	1.5	(0.8)	0.4	5.7	8.0	1.7	15.7	3.6	18.4	6.0	(0.3)	23.9
Operating Margin %	38.7%	-94.1%	19.5%	-94.2%	17.6%	-3.4%	7.0%	33.0%	36.8%	9.2%	25.2%	38.0%	34.9%	21.7%	-2.0%	24.0%
Finance income (costs)	(33.8)	1.0	0.3	1.0	(24.5)	(22.1)	(5.1)	1.9	4.9	3.0	4.7	(2.3)	-	-	-	(2.3)
Foreign exchange gain(loss)	0.2	0.0	0.1	(0.1)	(0.0)	(0.0)	(1.4)	(0.6)	0.2	(1.0)	(2.8)	(1.8)	-	-	-	(1.8)
Net (loss) gain before tax	(11.2)	(0.5)	2.5	(2.0)	(23.0)	(22.9)	(6.1)	6.9	13.1	3.6	17.5	(0.5)	18.4	6.0	(0.3)	19.8
EBIT Margin %	-19.2%	-31.6%	23.5%	-65.0%	-267.9%	-95.4%	-111.4%	40.2%	60.3%	20.0%	28.1%	-5.2%	34.9%	21.7%	-2.0%	19.8%
Tax Expense	0.4	(0.1)	(0.9)	(0.2)	1.5	0.3	(0.0)	(0.7)	(2.1)	0.9	(1.8)	0.1	(1.0)	(0.1)	(0.0)	(1.0)
Net gain (loss) after tax	(10.8)	(0.7)	1.7	(2.2)	(21.5)	(22.7)	(6.1)	6.3	11.0	4.5	15.7	(0.4)	17.4	6.0	(0.3)	18.8
Basic EPS (loss)	\$ (0.19)	\$ (0.01)	\$ 0.02	\$ (0.03)	\$ (0.31)	\$ (0.33)	\$ (0.09)	\$ 0.09	\$ 0.16	\$ 0.06	\$ 0.23	\$ (0.01)	\$ 0.24	\$ 0.08	\$ (0.00)	\$ 0.26
Diluted EPS (loss)	\$ (0.19)	\$ (0.01)	\$ 0.02	\$ (0.03)	\$ (0.32)	\$ (0.33)	\$ (0.09)	\$ 0.09	\$ 0.16	\$ 0.05	\$ 0.18	\$ (0.00)	\$ 0.20	\$ 0.07	\$ (0.00)	\$ 0.22
Basic shares outstanding	56.0	68.4	68.4	68.5	69.7	68.8	69.5	69.5	69.9	69.5	69.5	71.7	71.7	71.7	71.7	71.7
Diluted shares outstanding	56.0	68.4	69.6	69.7	67.3	68.8	69.5	69.5	69.9	85.8	69.5	85.3	85.3	85.3	85.3	71.7
EBITDA	30.4	(0.6)	3.9	(1.4)	3.0	4.9	1.1	7.9	10.5	5.2	24.7	4.1	25.4	10.5	2.8	38.9
EBITDA Margin %	52.3%	-37.1%	36.3%	-44.4%	34.6%	20.4%	20.8%	46.1%	48.3%	28.8%	39.6%	43.4%	48.2%	37.8%	22.3%	39.0%
Margin Analysis																
Gross Margin	59.3%	43.6%	41.5%	-4.9%	53.9%	40.1%	42.7%	50.4%	51.8%	47.6%	49.4%	59.4%	49.7%	40.6%	27.9%	42.8%
Operating Margin	38.7%	-94.1%	19.5%	-94.2%	17.6%	-3.4%	7.0%	33.0%	36.8%	9.2%	25.2%	38.0%	34.9%	21.7%	-2.0%	24.0%
EBITDA Margin	52.3%	-37.1%	36.3%	-44.4%	34.6%	20.4%	20.8%	46.1%	48.3%	28.8%	39.6%	43.4%	48.2%	37.8%	22.3%	39.0%
Pre-Tax Margin	-19.2%	-31.6%	23.5%	-65.0%	-267.9%	-95.4%	-111.4%	40.2%	60.3%	20.0%	28.1%	-5.2%	34.9%	21.7%	-2.0%	19.8%
Net Income Margin	-18.5%	-40.6%	15.3%	-70.3%	-250.8%	-94.3%	-111.4%	36.3%	50.9%	25.0%	25.2%	-4.2%	33.0%	21.5%	-2.2%	18.8%
Tax Rate	-3.6%	28.2%	-34.6%	8.2%	-6.4%	-1.2%	0.0%	-9.5%	-15.7%	24.9%	-10.4%	-18.5%	-5.4%	-0.8%	7.9%	-4.9%
Growth Rate Y/Y																
Total Revenue	NA	NA	-44.8%	-84.1%	-35.1%	-58.6%	234.0%	60.0%	606.7%	109.5%	159.3%	74.5%	205.2%	28.4%	-30.2%	60.0%
Total cost of revenues	NA	NA	-34.5%	-59.9%	-33.9%	-39.1%	239.4%	35.5%	225.1%	137.9%	119.1%	23.7%	210.0%	58.0%	-3.9%	80.8%
Operating Income	-514.8%	74.3%	-74.4%	-147.3%	-50.7%	-103.7%	-124.9%	170.3%	-376.1%	10.2%	-2006.4%	845.4%	223.4%	-24.4%	-115.3%	52.1%
Pre-Tax Income	113.4%	-86.7%	-789.1%	-43.5%	-786.9%	105.5%	1075.4%	173.7%	-755.8%	-115.7%	-176.4%	-91.9%	165.4%	-53.9%	-107.0%	12.8%
Net Income	105.7%	-83.0%	-171.3%	145.3%	-806.7%	110.6%	817.0%	278.8%	-610.9%	-120.9%	-169.3%	-93.4%	177.4%	-45.8%	-106.1%	19.6%
EPS	53.7%	-88.7%	-151.0%	112.0%	-819.6%	71.6%	802.2%	279.0%	-609.3%	-116.4%	-155.5%	-94.6%	126.2%	-55.6%	-106.1%	20.3%
Share Count- fully diluted	33.9%	50.4%	39.8%	15.7%	-1.8%	22.7%	1.6%	-0.1%	0.3%	27.5%	1.2%	22.6%	22.6%	22.0%	-0.6%	3.1%

Source: Company Reports, Stonegate Capital Partners estimates

CASH FLOW STATEMENT

Steppe Gold, Inc. (TSX: STGO) Consolidated Cashflow Statements (in millions, US\$) Fiscal Year: December													
Cash flow	FY 2019	FY2020	Q1 Mar-21	Q2 Jun-21	Q3 Sep-21	Q4 Dec-21	FY2021	Q1 Mar-22	Q2 Jun-22	Q3 Sep-22	Q4 Dec-22	FY2022	Q1 Mar-23
Operating activities													
Net profit for the period	(5.2)	(10.8)	1.0	3.6	2.7	(22.7)	(22.7)	(6.1)	0.2	11.2	15.7	15.7	(0.4)
Change in the fair value of convertible debenture	0.9	18.0	-	-	-	(5.1)	(5.1)	0.8	(0.4)	(1.0)	(0.7)	(0.7)	(0.4)
Gain on modification of straming arrangemen	(0.3)	-	-	-	-	-	-	-	-	-	-	-	-
Change in the fair value of TDB Gold Sales Loan	-	-	-	-	-	5.5	5.5	0.7	1.5	0.1	0.2	0.2	-
Change in the fair value of TDB Gold Prepay Loan	-	-	-	-	-	-	-	-	-	0.2	0.6	0.6	0.3
Fair value of the Aranjin Convertible Debenture	-	-	-	-	-	-	-	-	-	-	1.0	1.0	(0.4)
Gain on modification of convertible debenture	-	-	-	-	-	-	-	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	-
Accretion and financing costs	1.0	2.3	(1.5)	(2.2)	(4.6)	3.3	3.3	1.2	2.8	(0.2)	0.7	0.7	0.1
Depreciation	0.2	4.1	0.3	1.3	1.9	2.8	2.8	0.5	1.7	3.2	4.2	4.2	0.4
Stock based compensation	0.5	1.0	0.5	1.1	1.4	1.6	1.6	0.2	0.5	0.6	2.7	2.7	0.1
Unrealized foreign exchange loss	(1.2)	(0.3)	(0.1)	(0.3)	(0.3)	(0.5)	(0.5)	0.0	(2.5)	(4.6)	(4.7)	(4.7)	1.2
Change in the fair value of stream liability	-	13.6	(1.4)	(0.8)	(1.6)	18.4	18.4	3.9	1.0	(1.0)	(6.3)	(6.3)	2.5
Income tax expense	-	-	-	-	1.0	-	-	-	-	-	-	-	-
Deferred tax	-	(0.4)	0.1	0.5	-	(0.5)	(0.5)	(0.0)	0.3	0.2	(1.2)	(1.2)	(0.0)
Operating cash flows before changes in non-cash working capital items													
Inventories	(5.8)	(0.2)	(3.6)	(4.1)	(8.0)	(10.5)	(10.5)	(2.2)	(3.4)	(1.3)	(2.6)	(2.6)	(1.6)
Receivables and other assets	(0.1)	(1.8)	(0.7)	(0.9)	(2.3)	(2.4)	(2.4)	(0.5)	(0.4)	(0.1)	3.3	3.3	(0.0)
Amounts payable and other liabilities	4.4	(1.9)	0.8	0.4	4.8	3.2	3.2	4.0	6.7	5.0	6.9	6.9	(2.6)
Net cash generated by/(used in) operations	(5.6)	23.7	(4.5)	(1.5)	(4.9)	(7.0)	(7.0)	1.5	7.0	11.3	18.7	18.7	(0.8)
Investing activities													
Acquisition of property, plant and equipment under construc	(8.1)	(2.2)	(0.4)	(1.0)	(1.7)	(2.9)	(2.9)	(0.6)	(1.1)	(4.5)	(5.9)	(5.9)	(0.4)
Deposit on property, plant and equipment	-	-	(1.0)	(1.2)	(3.5)	(6.0)	(6.0)	(0.7)	(2.0)	-	-	-	-
Short term investment	-	(5.0)	-	-	1.5	5.0	5.0	-	-	-	-	-	-
Net cash used in Investing Activities	(8.1)	(7.2)	(1.4)	(2.2)	(3.7)	(3.9)	(3.9)	(1.3)	(3.2)	(4.5)	(5.9)	(5.9)	(0.4)
Financing activities													
Proceeds from the issuance of convertible debentures	7.8	3.0	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Capitron loan	-	10.5	2.9	2.9	62.3	63.1	63.1	-	-	-	-	-	-
Proceeds from Gold Prepay Loan	-	-	-	-	-	5.0	5.0	-	-	4.8	4.8	4.8	5.0
Interest income	-	-	(0.1)	-	-	3.4	3.4	0.9	1.5	3.9	3.6	3.6	-
Interest paid on convertible debentures	(0.4)	(0.6)	-	(0.1)	(0.2)	(0.4)	(0.4)	(0.1)	(0.2)	(0.3)	(0.4)	(0.4)	(0.1)
Interest paid on TDB long term loan	-	(0.3)	-	-	-	(3.5)	(3.5)	(1.5)	(2.5)	(3.5)	(3.5)	(3.5)	-
Convertible debenture issuance costs	(0.2)	(0.2)	-	-	-	-	-	-	-	-	-	-	-
Proceeds from equity financing	1.4	11.1	-	-	-	-	-	-	-	-	-	-	-
Payment of purchase price payable	(0.2)	(0.4)	-	-	-	-	-	-	-	-	-	-	-
Repayment of Gold 2 Loans	-	-	-	-	-	-	-	(3.4)	(16.1)	(21.3)	(53.3)	(53.3)	-
Repayment of TDB Gold sales loan	-	-	-	-	(6.3)	-	-	(1.2)	(4.1)	(7.8)	(10.7)	(10.7)	-
Repayment of stream financing	5.0	(12.3)	(0.3)	(2.9)	(3.6)	(5.0)	(5.0)	(0.6)	(4.8)	(9.0)	(12.8)	(12.8)	(2.0)
Repayment of loan TDB and Capitron	-	-	-	-	-	(6.4)	(6.4)	-	-	-	-	-	-
Repayment of Gold Prepay Loan - Triple Flag	-	-	-	-	-	-	-	-	-	-	(0.9)	(0.9)	(2.9)
Convertible debenture – Aranjin Resources	-	-	-	(1.5)	(1.4)	(1.4)	(1.4)	-	-	-	-	-	-
Repayment of Promissory note	(5.0)	-	-	-	-	-	-	-	-	-	-	-	-
Lease obligation payments	-	(0.4)	(0.1)	(0.2)	(0.2)	(0.3)	(0.3)	(0.1)	(0.1)	(0.1)	(0.2)	(0.2)	(0.1)
Restricted cash	(0.9)	(12.5)	(3.0)	(3.0)	(55.8)	(56.6)	(56.6)	20.3	20.3	28.2	60.2	60.2	-
Issue of common shares	-	-	-	-	-	0.6	0.6	-	-	-	-	-	-
Net cash used in financing activities	7.6	(2.0)	(0.6)	(4.8)	(5.4)	(1.5)	(1.5)	14.4	(6.0)	(5.1)	(13.2)	(13.2)	(0.0)
Effect of exchange rate changes on cash held in foreign cu	(0.2)	(0.1)	-	(0.1)	(0.1)	(0.1)	(0.1)	0.0	0.1	0.4	0.3	0.3	0.0
Net Change in Cash	(6.3)	14.4	(6.6)	(8.7)	(14.1)	(12.4)	(12.4)	14.7	(2.1)	2.1	(0.1)	(0.1)	(1.2)
Cash at the beginning of the period	7.0	0.7	15.1	15.1	15.1	15.1	15.1	2.6	2.6	2.6	2.6	2.6	2.5
Cash at the end of the period	0.7	15.1	8.5	6.4	1.0	2.6	2.6	17.3	0.5	4.8	2.5	2.5	1.3

Source: Company Reports, Stonegate Capital Partners

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CONTACT INFORMATION

Investor Relations

Stonegate Capital Partners
500 Crescent Court
Dallas, Texas
Phone: 214-987-4121
www.stonegateinc.com