



Versamet Royalties Announces Q3 2024 Financial Results and Increases Guidance

“Consistent underlying operating results coupled with record gold prices have delivered excellent financial results for Versamet in the third quarter,” said John Armstrong, CEO of Versamet. “We generated cash flow from operations, before changes in non-cash working capital, of US\$2.2 million, an increase of 14% over last quarter, revenue of US\$3.2 million in the quarter, and US\$8.8 million year to date. These strong results give us confidence that we will exceed our previous guidance for full year revenue of US\$10 million, and now expect that revenue for 2024 should exceed US\$11 million. Looking ahead to 2025, we anticipate Versamet’s revenues to grow substantially year-over-year, driven by continued ramp-up at Equinox Gold’s Greenstone mine, expected first gold pour at Artemis Gold’s Blackwater mine before the end of 2024, and expected first gold pour at West African Resources’ Kiaka mine in Q3 2025.”

Third Quarter 2024 Financial Highlights

- Generated Revenues of US\$3.2 million, bringing year to date revenues to US\$8.8 million;
- Cash Flow from Operating Activities, before changes in non-cash working capital of US\$2.2 million, and US\$5.8 million, year to date; and
- Adjusted Net Income before finance expense, interest, taxation and depletion of US\$1.6 million (US\$3.9 million year to date).

Portfolio Highlights

Greenstone Gold Mine (1.26% Gold Stream)

On November 6, 2024, Equinox Gold announced that following operating progress in October, the Greenstone mine had reached commercial production. Greenstone produced 42,500 ounces of gold during Q3 2024 and is focused on systematically ramping up both mining rates and plant throughput during the fourth quarter as the mine continues to progress towards design capacity. Equinox Gold adjusted 2024 production guidance for Greenstone to 110,000 - 130,000 ounces of gold.

As per the gold purchase agreement, Versamet has been receiving monthly gold deliveries since November 2023, at the minimum amount of 350 ounces per month (Versamet's 70% share).

Mercedes Mine (2% NSR)

During the third quarter of 2024, the Mercedes mine produced 10,751 ounces of gold and 76,939 ounces of silver. The mill processed 102,535 tonnes of ore at 3.4 grams of gold per tonne ("gpt") compared to 95,727 tonnes of ore at 3.23 gpt during the second quarter 2024, demonstrating an improvement over the prior quarter. The mill continues to operate well, recovering 96% of the gold, versus the prior quarter at 93%.

The operation is undergoing a shift into narrow vein mining techniques that required significant restructuring, transition of the work force, and reorganization of contracted services. The changes are well advanced and are expected to be completed in Q4 2024. Bear Creek is also progressing on an updated Mineral Resource and Mineral Reserve model for the Mercedes mine, with a target completion of Q4 2024.

Blackwater Mine (0.21% NSR)

On October 10, 2024, Artemis Gold provided a project update highlighting progress up to September 30, 2024, at which point overall construction was over 95% complete, the project remained fully funded, and first gold was targeted for Q4 2024. The electrical transmission line connecting Blackwater to the BC Hydro grid was completed and successfully energized, construction of the tailings storage facility is nearly complete, and the initial mining fleet has been commissioned, with pre-stripping and construction of haul roads advancing. First ore is expected to be received to the run of mine pad in November 2024. Artemis also updated the initial capital guidance to first gold pour from C\$730 million - C\$750 million to C\$780 million - C\$800 million, an increase of 7% due to project delays largely related to wildfires that slowed construction. The additional capital is being sourced from an increased debt capacity.

Kiaka Mine (2.7% NSR)

Kiaka development continues to track on budget and schedule, with more than 70% of the project complete and first gold planned for the third quarter of 2025. Approximately 85% of the project costs are now committed and fixed, with the mining fleet orders having been placed and expected to begin arriving in Q4 2024.

West African Resources also disclosed results from the Kiaka infill drill program which is validating the thick zones of gold mineralization while providing pre-production grade control drilling to support first mining in Q1 2025.

Versamet intends to provide shareholders with an update and details regarding the financial results for the 2024 fiscal year in early April 2025.

For more information about Versamet Royalties, please visit our website at www.versamet.com
General inquiries email: info@versamet.com.

The scientific and technical information contained in this news release has been reviewed and approved by Diego Airo, P.Eng, Vice President of Evaluations for Versamet Royalties and a member of the Association of Professional Engineers and Geoscientists of the Province of British Columbia. Mr. Airo is a Qualified Person as defined in the National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

Versamet uses certain performance measures in its analysis. These non-GAAP performance measures are included in this document because these statistics are key performance measures that management uses to monitor performance to assess how Versamet is performing. These performance measures do not have a standard meaning within IFRS and, therefore, amounts presented may not be comparable to similar data presented by other companies.

Cautionary Note Regarding Forward-Looking Information

This news release contains forward-looking statements regarding: expectations to exceed previous guidance; anticipated revenue to grow substantially year-over-year driven by the Greenstone mine ramp-up, expected first gold pour at the Blackwater mine, and expected first gold pour at the Kiaka mine; restructuring, transition of work force, and reorganization of contracted services at the Mercedes mine expected for completion in Q4 2024; target completion of an updated Mineral Resource and Mineral Reserve model at the Mercedes mine; timing of receipt of first ore to the run of mine pad at the Blackwater mine; timing of mining fleet orders at the Kiaka mine; timing of Versamet's next shareholder update; and other statements regarding future plans, expectations, exploration potential, guidance, projections, objectives, estimates and forecasts as well as the company's expectations with respect to such matters. These forward-looking statements are provided as of the date of this news release, or the effective date of the documents referred to in this news release, as applicable, and reflect predictions, expectations or beliefs regarding future events based on the company's beliefs at the time the statements were made, as well as various assumptions made by and information currently available to them. In making the forward-looking statements included in this news release, the company has applied several material assumptions. Although management considers these assumptions to be reasonable based on information available to it, they may prove to be incorrect. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that estimates, forecasts, projections and other forward-looking statements will not be achieved or that assumptions on which they are based do not reflect future experience. We caution readers not to place undue reliance on these forward-looking statements as a number of important factors could cause the actual outcomes to differ materially from the expectations expressed in them. These risk factors may be generally stated as the risk that the assumptions expressed above do not occur, but specifically include, without limitation, risks relating to general market conditions. The foregoing list of factors that may affect future results is not exhaustive. Readers should carefully consider the foregoing factors and other uncertainties and potential events. The company does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by the company or on behalf of the company, except as required by law.