



**HOCHSCHILD**  
BEYOND MINING

# Overview of Tiernan Gold

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- Private Canadian company holds 100% of the Volcan Gold Project on the Maricunga Gold Belt, Chile
- Privately owned by Hochschild Mining (UK)
- Completed an update to the Mineral Resources and a positive PEA for the Project
- Completed a \$15 million royalty financing with Franco-Nevada to fully fund the next phases of development
- Planning to take Tiernan public on the TSX-Venture in Q3 2025 via a reverse take-over transaction



*Exploration roads crossing the Dorado West deposit area*

# Volcan Project History

## Andina Minerals:

- Over 150,000 metres of drilling 2007-2011
- Prefeasibility Study<sup>1</sup> completed in 2011 contemplated 4.3 million ounces of gold production over a 15-year mine life
- EIA completed in 2012
- Feasibility study level metallurgy and geotechnical work undertaken 2011-2012

## Hochschild Mining acquired Andina Minerals in mid 2012 in an all-cash deal for CAD \$105m

- Focus since acquisition on updating resources, evaluating operational processes and water supply options, preparing a PEA and developing good relations with stakeholders

<sup>1</sup> Refer to the "Technical Report on the Results of the Pre-Feasibility Study on the Dorado Deposits, Volcan Gold Project Region III, Chile" dated January 31, 2011



Copiapó core storage facility

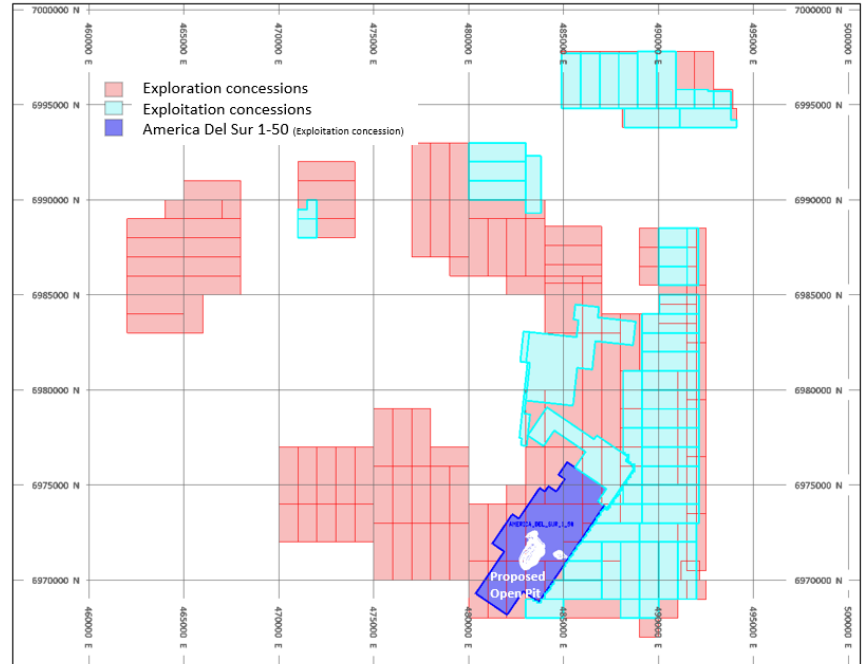
# Location

- Maricunga Gold Belt, a prolific porphyry gold district in the Atacama Region, Chile
  - Over 100 million ounces of past and present gold resources
  - Hosts a number of operating mines, new mines under construction and major development projects
- Located 150km east of Copiapo, a well serviced mining town



# Land Package

- Four mining concessions (purple) = 5,400 ha host all stated Mineral Resources – “Dorado”
- Total land package including surrounding exploration/exploitation concessions = 53,000 ha
- Exploration potential largely untested



# 2022/23 Work Programs

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## 1. Updated Mineral Resource Estimate (MRE)

- No new drilling since 2011
- Updated economic parameters

## 2. Opportunity Framework Study

- Evaluated 12 different flowsheet options/capacities

## 3. Trade-off and impact studies

- Contract vs. Owner Mining
- Water source impact
- Metallurgy – HPGR vs. Conventional Crush & fines leaching vs. agglomeration

## 4. Preliminary Economic Assessment

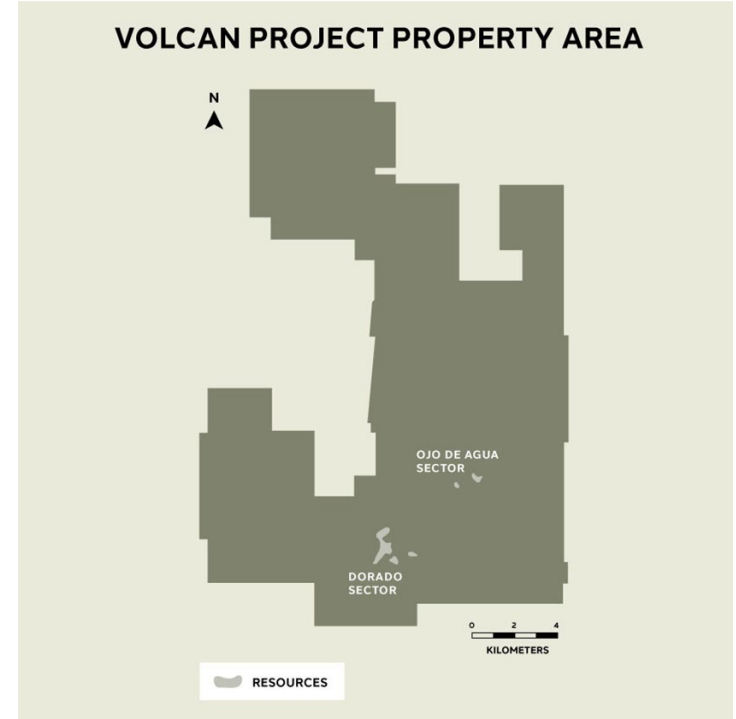
- 60,000 tpd heap leach with HPGR, contract mining

**micon** | mineral  
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consultants



# Mineral Resource Estimate

- MRE updated in Q2 2022
- No new drilling or model work (Andina grade shell model)
- In-pit resources being constrained by updated economic parameters
- All resources located in Dorado Sector



# Mineral Resource Estimate

## Notes:

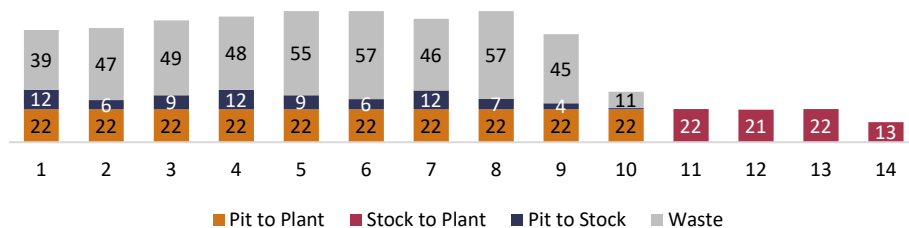
1. The updated mineral resources are reported at a cut-off grade of 0.29 g/t gold for the Dorado Oeste (DO) and Dorado Este (DE) and are reported at a cut-off of 0.75 g/t for Dorado Central.
2. The effective date of the updated mineral resource estimate is July 22, 2022. Tonnages and metal content in the table are rounded to the nearest thousand, thus, numbers may not total precisely due to rounding.
3. The mineral resources are reported according to the latest edition of the CIM definitions and standards which was adopted by the CIM council on May 10, 2014.
4. Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal title, market conditions and other modifying factors. At the time of this report, Micon's QPs have not been able to determine any factors that would adversely impact the current mineral resource estimate

2022 Updated MRE*			
Category	Tonnes (kt)	Grade (g/t Au)	Gold (koz)
Measured	123,979	0.700	2,792
Indicated	339,274	0.643	7,013
M&I	463,253	0.658	9,804
Inferred	75,018	0.516	1,246

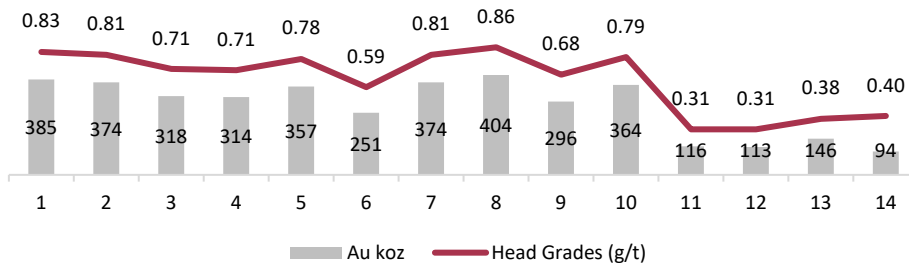


# Preliminary Economic Assessment - Summary

**Material Movement**



**Production**



60,000 tpd

Item	Units	Result
Ore Mined	Mt	293
Waste Mined	Mt	451
Strip Ratio	W:O	1.5
Annual Processing Rate	Mtpa	22
Heap Feed Grade	g/t Au	0.63
Recovery	%	64.2%
Gold Produced	koz	3,820
Initial Capital Cost	\$M	\$900
Site AISC	\$/oz	\$1,002

# PEA Economics

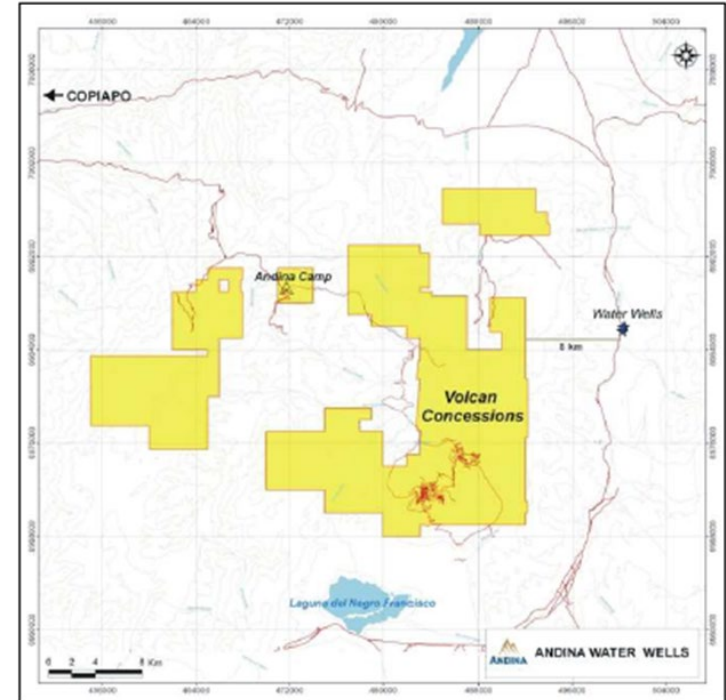
- At \$1,800/oz gold price:
  - Pre-Tax NPV (5%) = \$1,254 M
  - Pre-Tax IRR = 25%
  - Post Tax NPV (5%) = \$826 M
  - Post Tax IRR = 20.5%
  - Post Tax Payback = 3.6 years

## *Sensitivity to Gold Price – Post Tax*

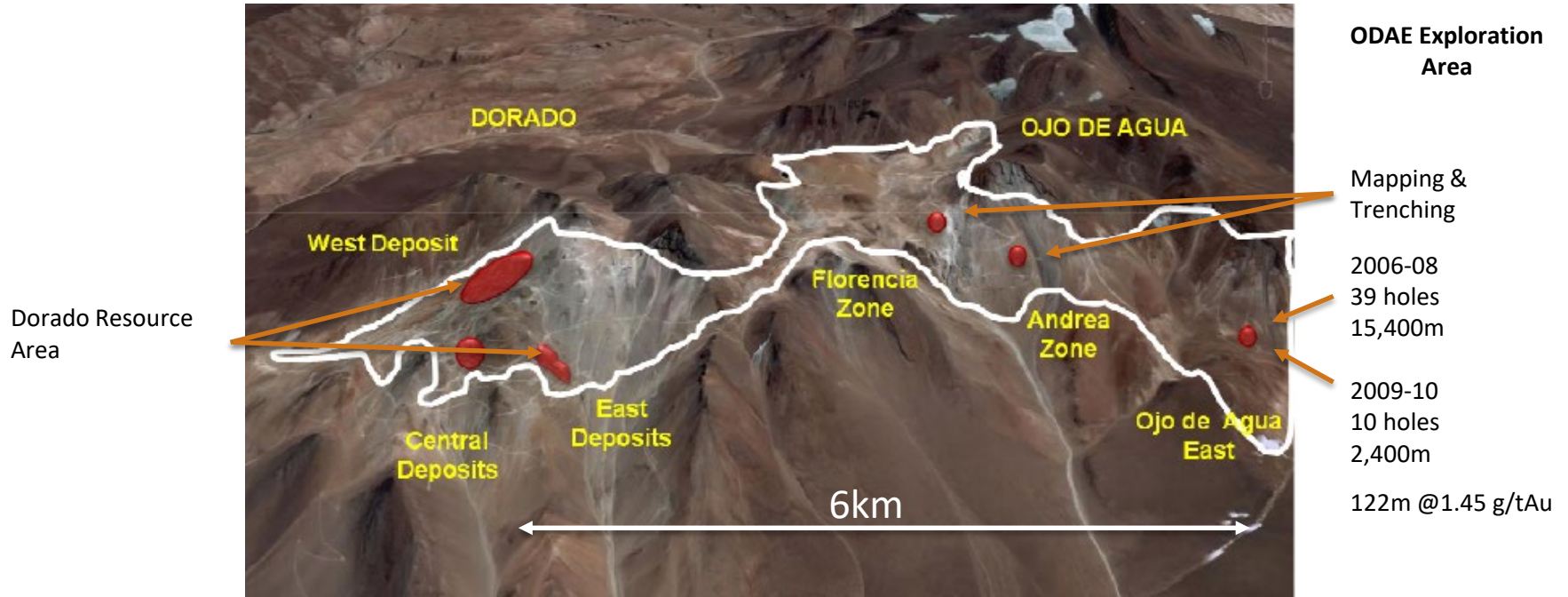
Gold Price US\$/oz	NPV 5% US\$ M	IRR %
<b>\$1,800</b>	<b>826</b>	<b>20.5</b>
\$2,000	1,188	26.3
\$2,200	1,544	31.5
\$2,400	1,896	36.3
\$3,000	2,930	49.5

# Water

- Water extraction rights in place since 2011
- Legally valid, wells fully drilled and cased (locked and secure)
- Right to extract 3.9 Mm<sup>3</sup>/year per well at a total maximum pumping rate of 170 l/sec
- PEA requires 105 l/sec of make-up fresh water
- Golder estimated 30 years of life in wells at 124 l/sec
- Number of commercial ventures looking to bring desalinated water into the Maricunga via pipeline
- DGA (water authority) will require consideration in the EIA for desalinated water if it is available



# Exploration Potential



# Franco Nevada Royalty Financing

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## **Royalties Existing on acquisition in 2012 (included in PEA economics):**

- Franco Nevada
  - 1.5% NSR on exploration concessions only (no impact on current resources)
  - Acquired by Franco Nevada as part of a package of royalties from Barrick

## **2023 Franco Nevada royalty (not included in PEA economics):**

- New Franco Nevada royalty added over all Volcan project concessions – closed in July 2023
  - 1.5% NSR on gold and copper production from Volcan concessions
  - \$15m cash payment to Tiernan
  - Royalty registered against concessions in Chile, agreement to subordinate security to project finance lender
  - ROFR on future royalties or streams, option to acquire a further 1% royalty at the time of a board approved construction decision based on feasibility study and consensus metal prices

*Current Cash Balance in Tiernan at US\$11.8 million*



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