



TSX: STGO | OTCQX: STPGF

# Corporate Presentation

June 2022



# DISCLAIMER

## TECHNICAL INFORMATION

Technical information relating to the Altan Tsagaan Ovoo Project (the "ATO Project") contained in this presentation is derived from, and in some instances is an extract from, the Technical Report titled "Feasibility Study for the Altan Tsagaan Ovoo (ATO) Phase 2 Expansion Project Mongolia" dated November 30, 2021, with an effective date of October 27, 2021, which was prepared for the Company by DRA Global Limited (DRA), and prepared in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101"). Reference should be made to the full text of the Technical Report which has been filed with certain Canadian securities regulatory authorities pursuant to NI 43-101 and is available for review under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

Technical information in this presentation not contained in the Technical Report has been prepared under the supervision of Enkhtuvshin Khishigsuren a "qualified person".

## CAUTIONARY NOTE FOR UNITED STATES INVESTORS

Technical disclosure regarding our properties included herein (the "Technical Disclosure") has not been prepared in accordance with the requirements of United States securities laws. Without limiting the foregoing, the Technical Disclosure uses terms that comply with reporting standards in Canada and certain estimates are made in accordance with NI 43-101. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Unless otherwise indicated, all mineral reserve and mineral resource estimates contained in the Technical Disclosure have been prepared in accordance with NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum Classification System. These standards differ significantly from the requirements of SEC Industry Guide 7, and resource information contained in the Technical Disclosure may not be comparable to similar information disclosed by U.S. companies.

The definitions of proven and probable reserves used in NI 43-101 differ from the definitions in SEC Industry Guide 7. In addition, the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are defined in and required to be disclosed by NI 43-101; however, these terms are not defined terms under SEC Industry Guide 7 and normally are not permitted to be used in reports and registration statements filed with the Securities and Exchange Commission (the "SEC").

Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves. "Inferred mineral resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian securities laws, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases.

Additionally, disclosure of "contained ounces" in a resource is permitted disclosure under Canadian securities laws, however the SEC normally only permits issuers to report mineralization that does not constitute "reserves" by SEC standards as in place tonnage and grade without reference to unit measurements. Accordingly, information contained in the Technical Disclosure may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements of United States federal securities laws and the rules and regulations thereunder.



# OUR VISION

**Mongolia's  
premier precious  
metals company.**

## Our mandate:

**01**

Delivering superior returns to shareholders from low-cost, long life precious metals assets.

**02**

Focusing on low cost production assets with strong exploration upside.

**03**

Building strong relationships with our partners, our communities and all levels of the Mongolian government.





# COMPANY OVERVIEW

Steppe Gold is Mongolia's premier precious metals company, has commenced production and is projected to **produce 50,000 to 60,000 ounces of gold** from its Phase I Heap Leach Operation at the ATO Gold Mine annually. The Company has recently completed a feasibility study into the Phase II expansion of the ATO Gold Mine to produce **~100,000 of gold ounces equivalent per annum** for the first 5 years from the development of underlying fresh rock ores.

## Investment Highlights:

### 1. Proven in-country team

Proven track record. Strong social licence to operate and strong support from Mongolian investors.

### 2. Production Commenced in 2020

Mine fully commissioned and permitted. Initial Phase - I oxide zone is estimated to produce ~ 50,000 to 60,000 ounces of gold annually.

### 3. Resource expansion

Updated resource estimates announced for ATO 1, 2 , 4 deposits and initial resource for Mungu deposit, doubling resources at ATO Gold Mine.

## Bank Coverage:



## OTCQX: STPGF | TSX : STGO

Share Price	USD \$1.02	/ CA \$1.34
Current Shares Outstanding	69.5 (m)	
Outstanding Convertible (US\$3.0m)	4.3 (m)	
Warrants & Options - (Strike @\$2.00)	11.3(m)	
Warrants - (Strike @\$3.00)	6.98(m)	

## CAPITAL STRUCTURE:

Mongolian Nationals	16 %
Insiders and Management	15 %
Family Office Investors (US & Europe)	13 %
Eric Sprott	11%
LIM Advisors	7%
Fidelity International Ltd	6 %
Elliot Management/Triple Flag	4 %
Others	28%

# COMPANY BOARD AND MANAGEMENT



**Matthew Wood**  
Executive Chairman

Mr. Wood is a mineral resource explorer and developer with over 25 years of global industry experience in mining investments. Founder of Hunnu Coal Limited sold for ~A\$500M (2011). Awarded the Order of the Polar Star, the highest state honour that can be awarded to a non-citizen of Mongolia.



**Bataa Tumor-Ochir**  
Director, President and CEO

Mr. Bataa Tumor-Ochir is a Mongolian national responsible for new business acquisitions, development and government and community relations. He is also responsible for daily operations in Mongolia. Mr. Tumor-Ochir has over 10 years of experience in mining industry.



**Aneel Waraich**  
Director and Executive Vice President

Mr. Waraich is a financial services professional with 15 years of progressive experience in capital markets having worked on over \$1B in deals. Founder of ATMA Capital Markets focusing on advising public and private companies in the Natural Resources sector.



**Patrick Michaels**  
Director

Mr. Michaels is the Chairman of Zuri-Invest AG and the Chairman of Asty Capital AG in Zurich, Switzerland. Mr. Michaels has been involved in numerous financings of gold mines in North America as well as various other countries and is a well-respected financial adviser and fund manager throughout Europe.



**Jeremy South**  
Senior Vice President and Chief Financial Officer

Mr. South has over 35 years of experience in M&A, capital markets and private equity in Europe, North America and Australia, including senior positions in investment banking at Deutsche Bank, NatWest Markets and Deloitte. He has been working in Mongolia since 2011.



**Dr. Zamba Batjargal**  
Director

Dr. Batjargal has more than 35 years' experience working for the government entities in Mongolia dealing with issues of environmental protection and climate change. He was the Minister of the Environment of Mongolia from 1990 to 1996. Dr. Batjargal has extended experience of work outside of Mongolia being engaged in international bi-and multilateral cooperation activities.



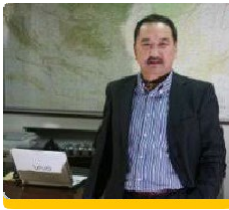
**Sereenen Jargalan**  
Director

Ms. Jargalan has been a professor at the Mongolian University of Science and Technology since September 2003 and head of the Department of Mineral Exploration since 2011 where she teaches Ore Geology and Metallogeny to Bachelors, Masters and Doctorate students.



**Steve Haggarty**  
Director

Mr. Haggarty is the Managing Director of Haggarty Technical Services Corporation and a registered member of the Professional Engineers Ontario. Mr. Haggarty has over 35 years of industrial experience both on-site and at a corporate level, involving several precious metal and copper producers, with a background in project design, commissioning, start-up, metallurgy, process optimization, project management, reclamation and closure.



**Enkhtuvshin Khishigsuren**  
VP of Exploration

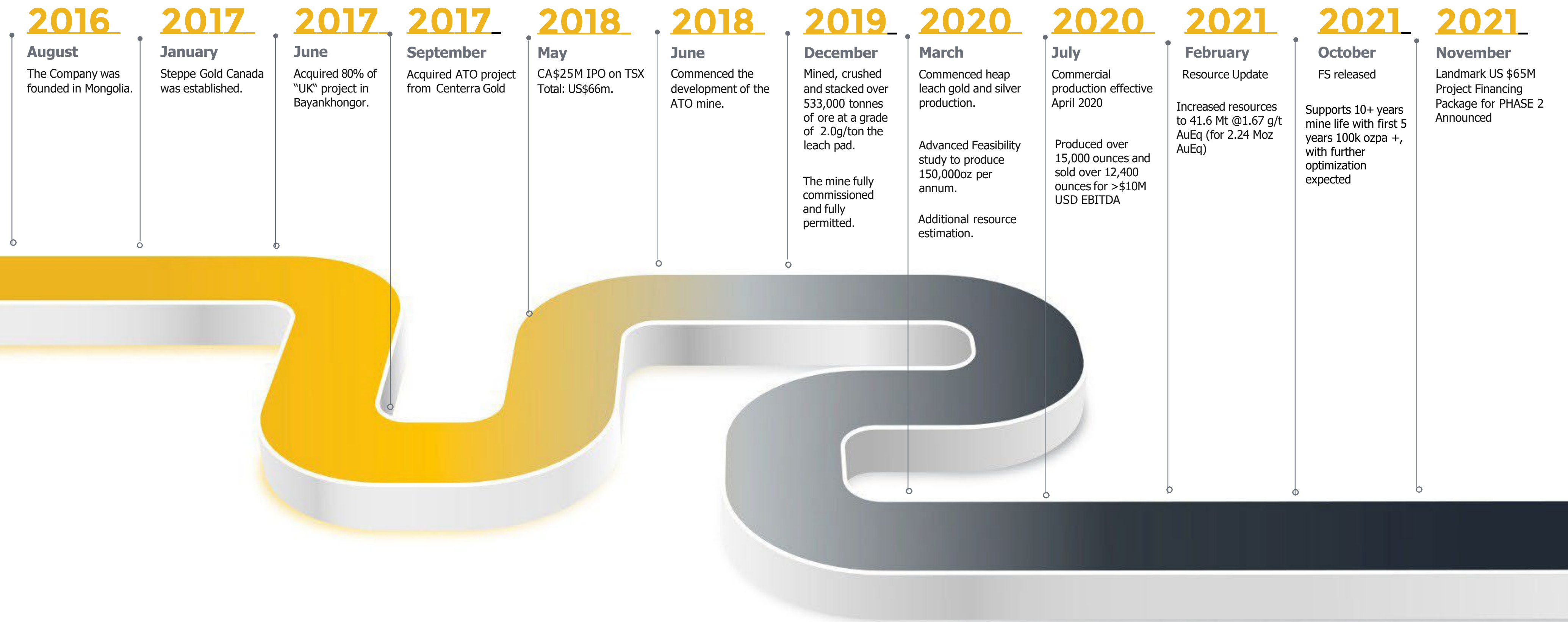
Mr. Khishigsuren has over 30 years of Mongolian mineral exploration experience. He has focused his expertise on the precious metals exploration sector resulting in successes for numerous companies.



# STEPPE PEOPLE



# COMPANY MILESTONES





# STEPPE'S VALUE BUILDING MODEL

Fast-tracked production and exploration upside

## Cashflow

Fully permitted heap leach mine and plant.

Commenced commercial production targeting ~60,000 ounces annually



## Development

New resource estimates doubled in 2021.

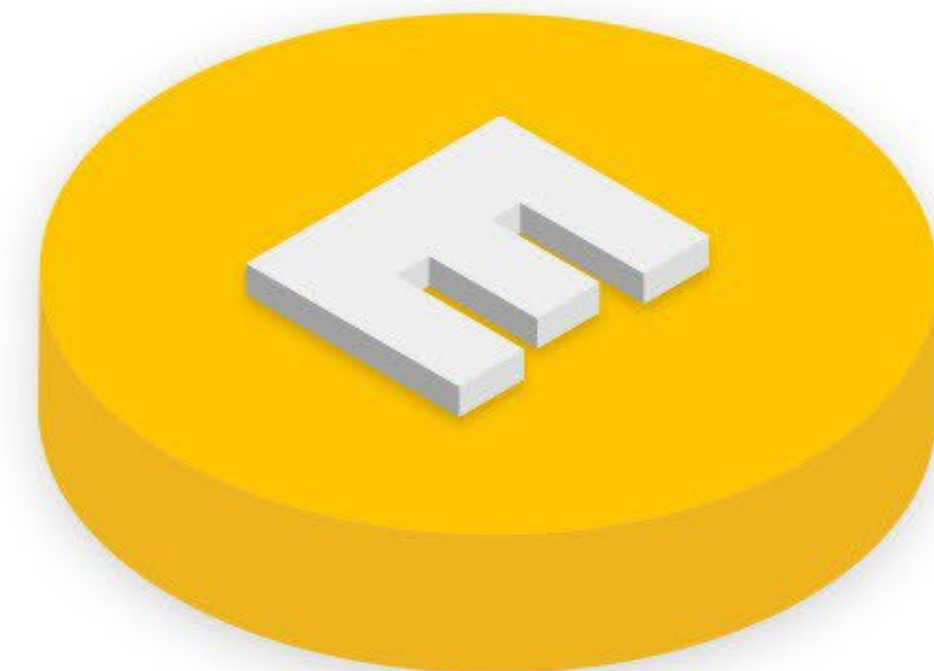
Released feasibility study results, supporting 10+ years mine life and to produce ~ 100,000 ounces annually.



## Exploration

The Company owns one of the largest exploration licences in Bayankhongor gold belt.

Drilling to commence on 4 new discoveries in 2022.



The Company has access to a steady pipeline of exploration and development projects across Mongolia. Currently assessing over 200,000 hectares of exploration licences and several gold projects for 2022.



# MONGOLIA TODAY

- ✓ Mongolia's economic growth is expected to accelerate to above six percent in 2023-2024
- ✓ Oyu Tolgoi: RioTinto commits \$5bn. 100% ownership
- ✓ Geopolitics makes Mongolia Critical to China Belt & Road Initiative
- ✓ Mongolia's New Revival Policy:
  - Investor friendly;
  - Borders open and increased rail infrastructure;
  - Growing Technology Hub





# ALTAN TSAGAAN OVOO (ATO) GOLD MINE

FULLY PERMITTED AND COMMENCED GOLD PRODUCTION IN 2020

LEACH PAD / CELL 1 AND 2

ADR BUILDING / PLANT

CHEMICAL STORAGE  
FACILITY

STORM POND

CRUSHER

CRUSHER

PHASE I - OXIDE HEAP LEACH PRODUCTION

**50,000 to 60,000 oz of Gold annually**

PHASE II - 100,000 oz of gold production annually from fresh rock

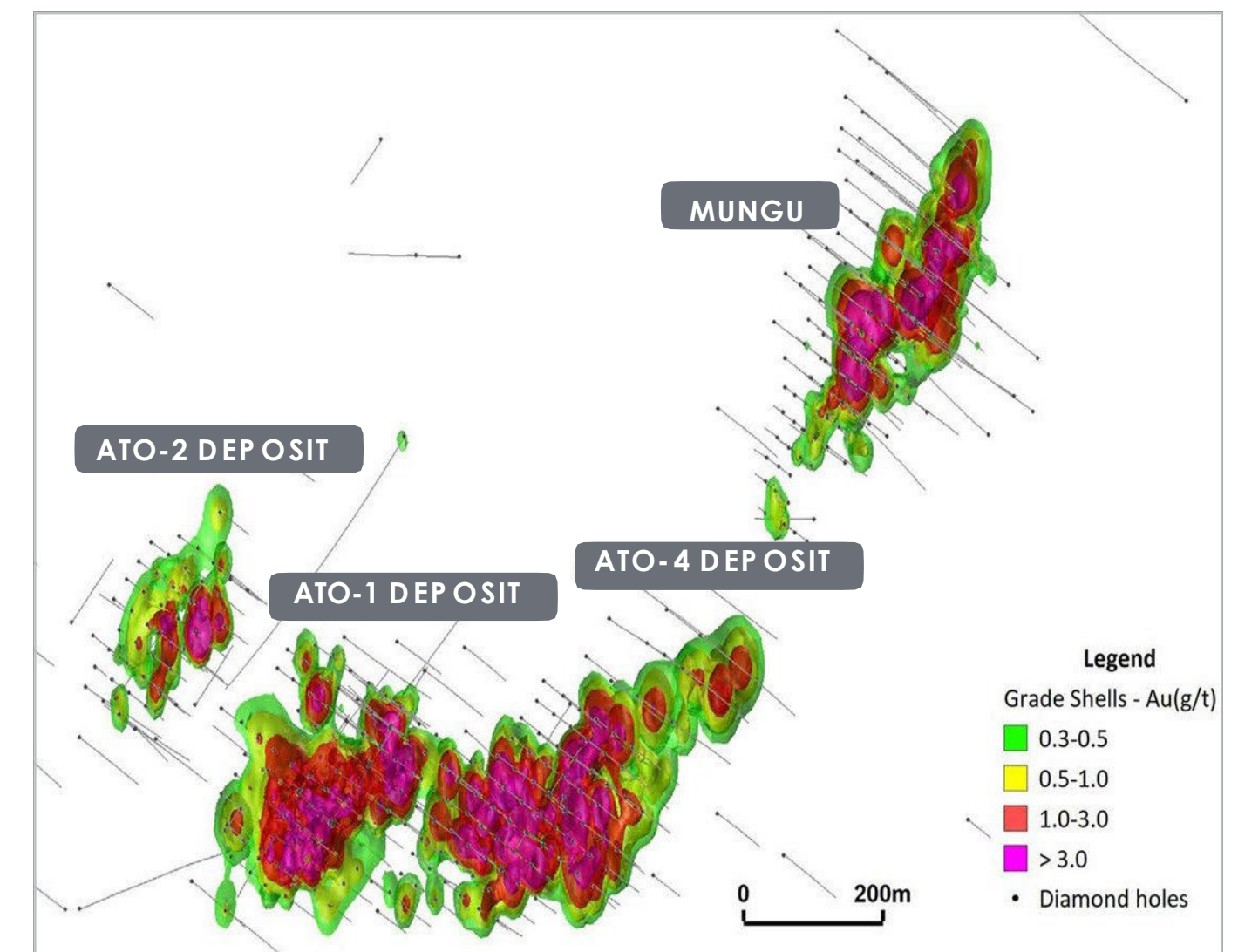
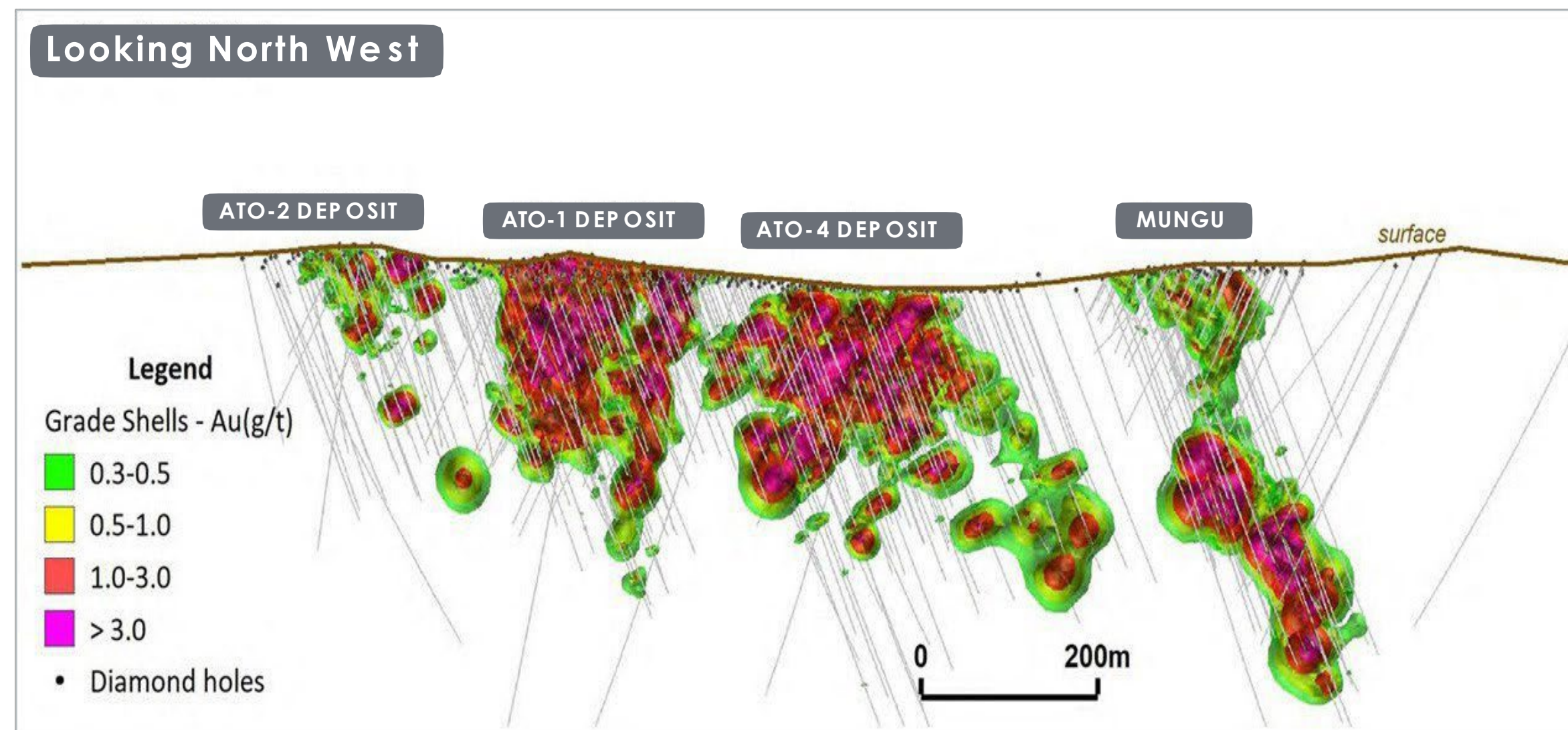


# RESOURCE EXPANSION

Building on a large dataset - high grade intercepts.

Over 90,000m drilling and 28,421m trenching completed. Mungu deposit estimate just released.

The latest drilling results and new resource estimates for ATO and Mungu deposits have just been released.





# MINERAL RESERVE ESTIMATE, EFFECTIVE JUNE 30, 2021

Phase 2 Expansion assumes producing 90,000 ounces of gold equivalent per annum from the fresh rock ore. Gold recovery is forecast to be 79%, with further recoveries of up to 10% through CIP/CIL plant in later years.

ATO gold mine is estimated to generate \$1.72 bn in revenue and over \$584m in EBITDA with a CAPEX of \$128m, a rapid payback of capital in 3 years after taxes.

CATEGORY	MATERIAL	ORE	GRADE					CONTAINED METAL		
			AUEQ	AU	AG	PB	ZN	AU	AG	AUEQ
		(KT)	(G/T)	(G/T)	(G/T)	(%)	(%)	(K OZ)	(K OZ)	(K OZ)
Combined (ATO and Mungu)										
Proven	Oxide	1,618	1.54	1.45	12.81	0.54	0.40	75	666	80
	Fresh & Transition	13,277	2.10	1.26	8.58	0.53	0.94	536	3,657	897
Probable	Oxide	1,324	1.16	1.01	19.45	0.26	0.20	43	828	49
	Fresh & Transition	10,186	1.69	0.98	13.79	0.37	0.69	316	4,344	550
Proven & Probable	Oxide	2,942	1.37	1.25	15.80	0.41	0.31	118	1,494	130
	Fresh & Transition	23,462	1.93	1.14	10.78	0.46	0.84	849	8,002	1,448
Total		26,404	1.86	1.14	11.18	0.46	0.78	968	9,491	1,579





# NEW HIGH GRADE ZINC DISCOVERIES

Recent Drilling resulted in an exciting new discovery of multiple high grade zinc sulphide intercepts beneath the existing ATO Gold Deposits

Exceptional results and now extensive drilling program to commence in the coming month, with up to three drilling rigs utilized

## HIGHLIGHTS:

- 20.95m at 10.56% Zinc and 3.13% Lead from 347.65m (ATO-364)
- 15m at 8.0% Zinc and 5.87% Lead from 371m (ATO-379)
- 55.4m at 4.23% Zinc and 1.83% Lead from 98.5m (ATO-391)
- 10.62m at 9.2% Zinc and 4.3% Lead from 201.15m (ATO-396)
- 23.5m at 6.28% Zinc and 1.63% Lead from 396m (ATO-423)

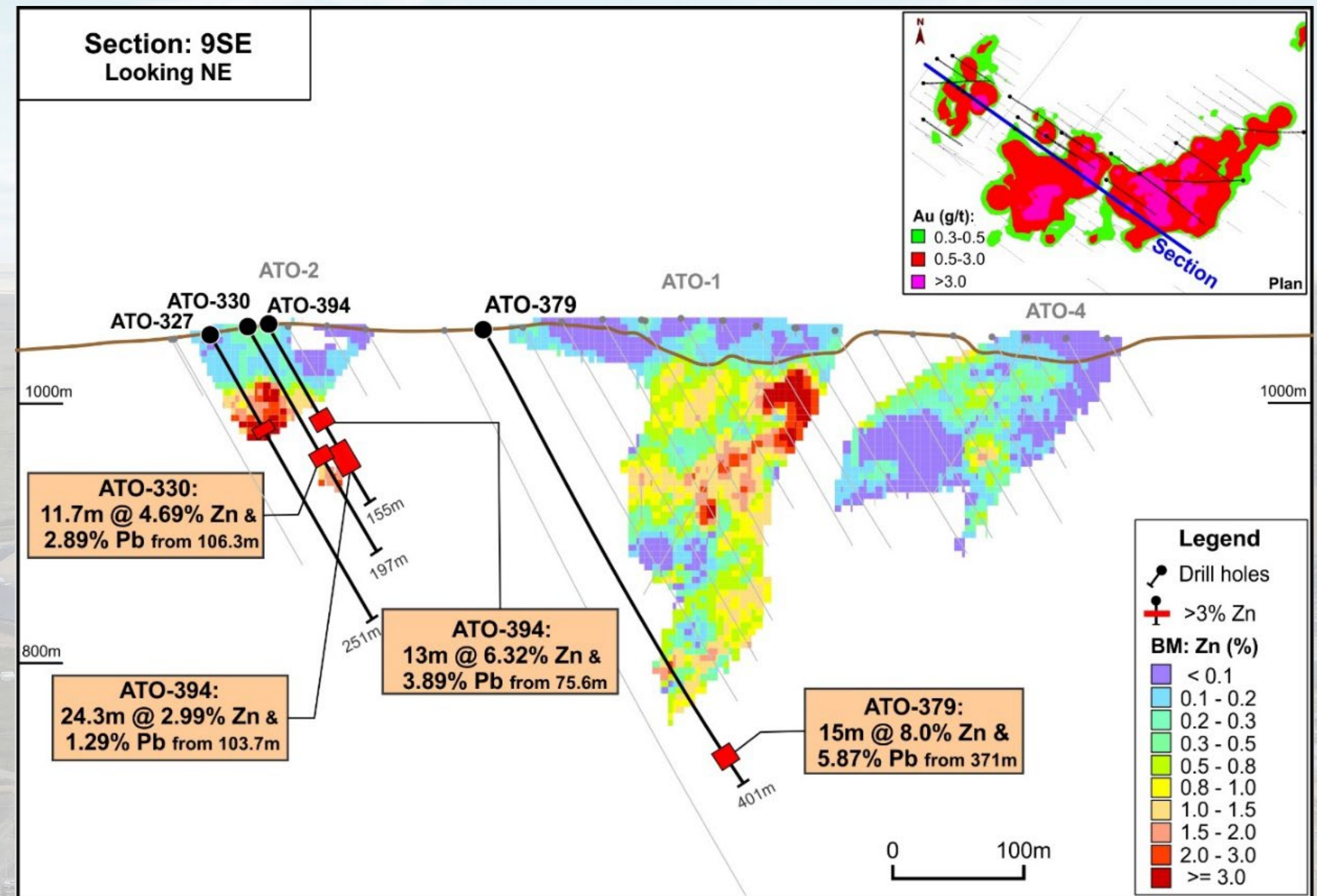


Figure 1. Drill holes ATO-327, ATO-330, ATO-394, & ATO-379 section and plan map



# KEY FINANCIAL METRICS

## NPV

After-Tax

**\$232M**

## IRR

After-Tax

**67%**

## Site AISC

**\$853/oz**

## EBITDA

**\$584M**

**LoM Phase 1 & 2 = 12.5 years**

## After-Tax

**3 years  
Payback**

## Capital Expenditure Phase 2

**\$128M**

## LoM Grades

Lead, 0.46%  
Zinc, 0.78%  
Gold, 1.14 g/t  
Silver, 11.18 g/t

## Total Gross Revenue

**\$1.72 Bn**



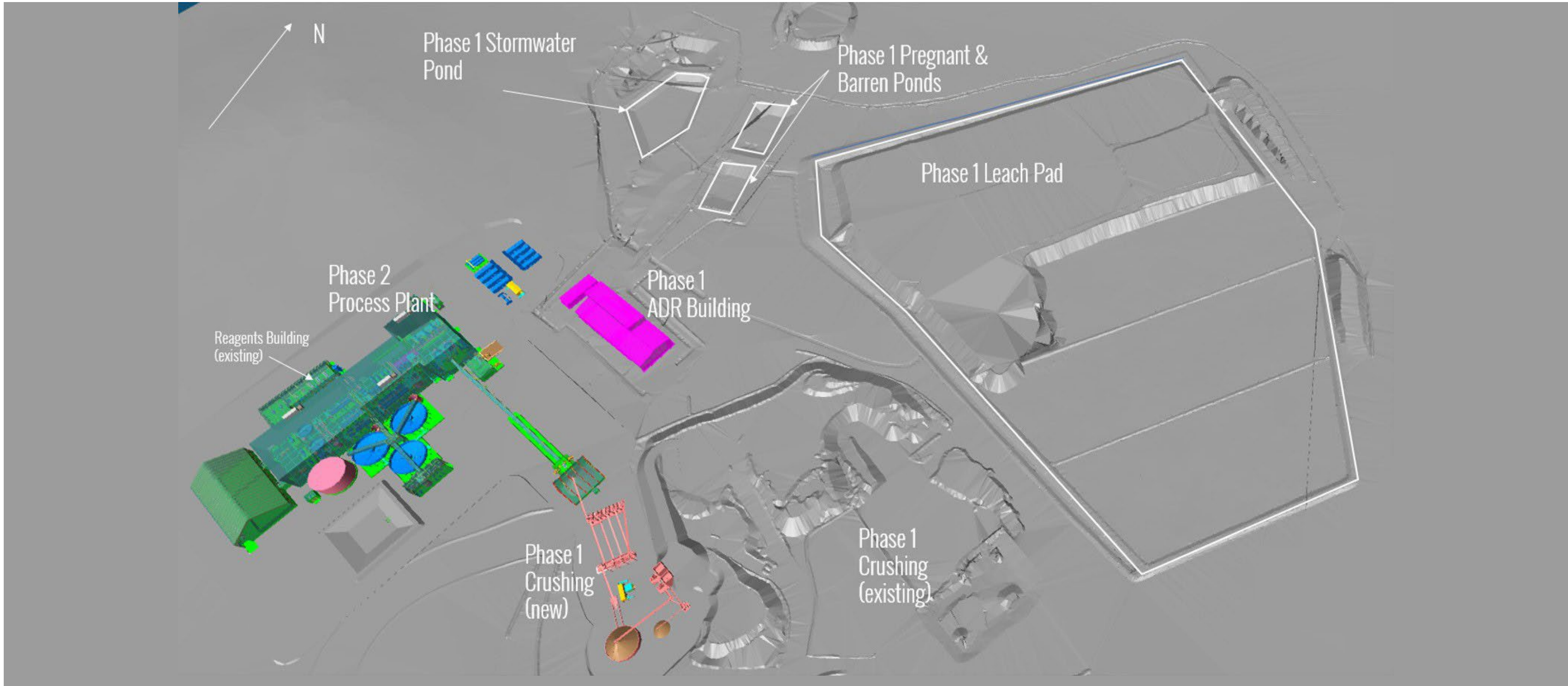
# FS HIGHLIGHTS AND BASIS OF PREPARATION

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- ✓ The Feasibility Study covers the ATO Gold Mine with a 12.5 year remaining mine life, with an assumed start date of January 1, 2022.
- ✓ It is based on the revised reserve calculations incorporating 26.4mt at Au Eq grade of 1.86g/t. Mungu remains a promising deposit and the Company plans to more exploration work in 2022.
- ✓ Incorporates 2 full years of oxide production totaling around 100,000 oz, with demonstrable upside from recent grade sampling and drilling.
- ✓ Fresh rock phase of 10.5 years with 23.5mt at Au Eq grade of 1.93g/t, showing very robust economics based on conservative payability. Management expects to improve on payability % given competitive environment from traders and smelters.
- ✓ High net gold recovery from flotation (79%) before penalties and TC/RCs, means that the Company can still recover further gold from tails via CIP in later years. Total Gross Revenue of \$1,72 Bn and EBITDA of \$584m.
- ✓ Rapid payback of capital (3 years) after tax basis, conservative price deck, Site AISC of \$853/oz (including TC/RC) and annual Au eq of 106,080 oz (gross) in first 5 years, with multiple options available for optimizing and reserve expansion.
- ✓ Robust economics from project derives from proven low-cost track record on capex and operations - ATO is already a producing gold mine with much of the infrastructure.



# SITE PLAN





# Phase 2 Expansions Infrastructure

## Highlights:

- ▶ Camp sewerage construction has been completed.
- ▶ Boilerhouse has been completed and is currently operating.
- ▶ Stage 2 crusher construction is ongoing.  
Delivery of crushing equipment has commenced.
- ▶ Chemical storage expansion construction has commenced.
- ▶ Explosive magazine has been completed.





# UUDAM KHUNDII (UK) PROJECT

## ONE OF THE LARGEST EXPLORATION LICENCES IN BAYANKHONGOR GOLD BELT

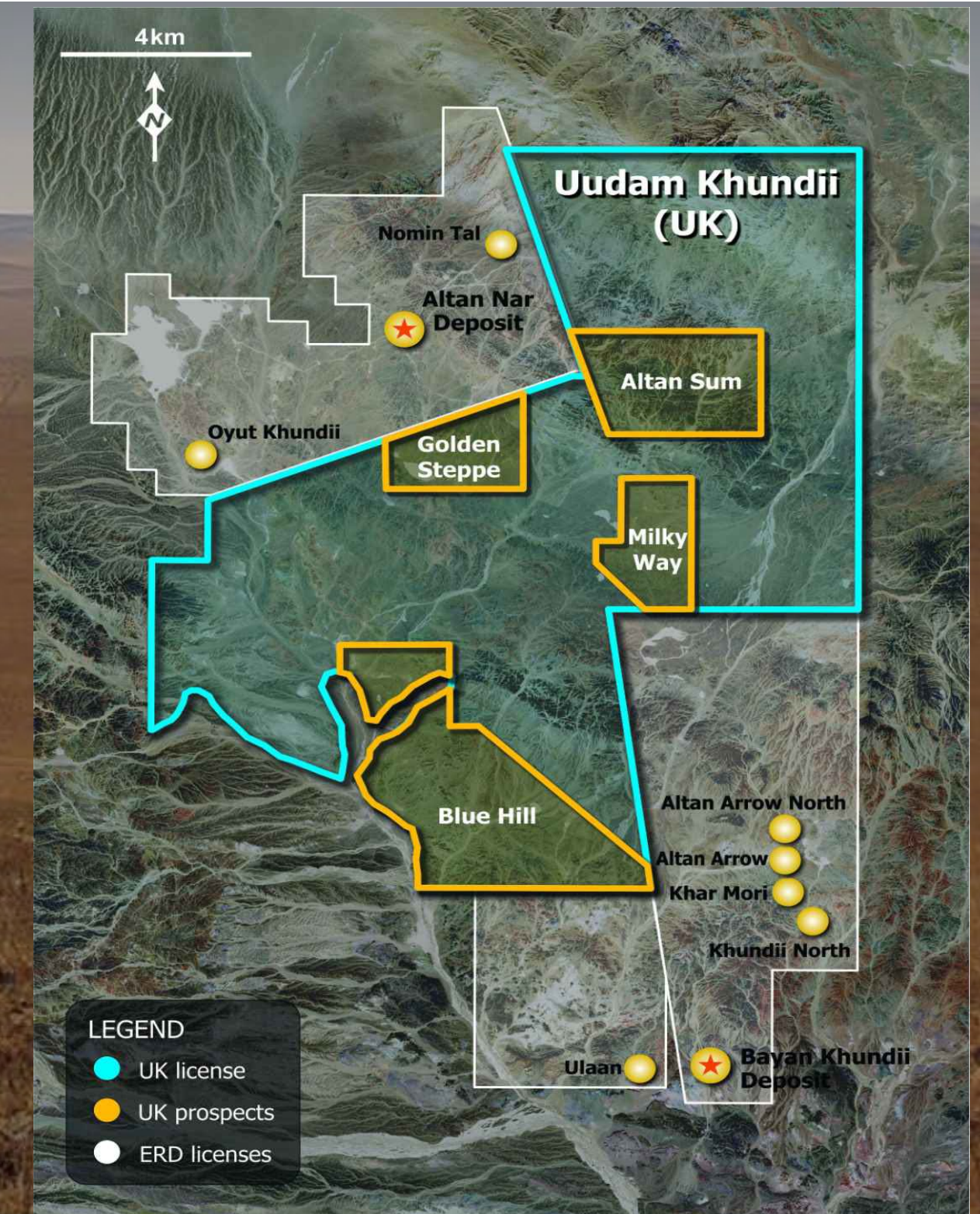
To date, Steppe Gold has completed 18 trenches for 933 meters at the Milky Way Prospect and the Altan Soum Prospect.

This work is ongoing with more trenching planned across all four prospects discovered.

At the Milky Way Prospect initial trenching results have highlighted a mineralized system of at least 700 meters in length and up to 12 metres wide with individual meter sampling results up to 1.49g/t gold, 450g/t silver, 2.98% copper, 3.98% lead and 0.31% Zinc.

These are exciting early results and the Company is expanding its exploration efforts with a geophysical crew and drilling rig planned to be mobilized to site in the coming month.

Identified 4 new discoveries and drilling commences soon.



### EXCLUSIVE RIGHTS

Uudam Khundii ("UK") Project: Steppe Gold owns 14,400 hectares in a first of its kind, 80/20 JV with the provincial government of Bayankhongor.

### HIGHLY PROSPECTIVE AREA

Adjoining licences held by Erdene Resources (ERD)\* have discovered high grade gold silver mineralized zones trending on to Steppe's licences.

### FURTHER ACQUISITIONS

The Company is currently assessing over 200,000 hectares of exploration licences for further acquisition.



# FROM VISION TO **EXPANSION**

## 2021 Financial Highlights:

- ✓ Revenue for year ended December 31, 2021 was \$24.05M on sales of 12,899 oz Au and 28,622 oz Ag: average realized prices per/oz of \$1,837 and \$24 respectively
- ✓ Operating income from mine operations, before depreciation and depletion, was \$12.4M
- ✓ Consolidated Group Adjusted EBITDA for the year was \$4.9M
- ✓ Year-end net debt was \$6.1m and available liquidity \$60m
- ✓ Cash Costs and AISC not meaningful due to low gold production – 2022 AISC estimate is \$700/oz at 50k oz Au production
- ✓ Discussions ongoing for additional liquidity from Mongolian institutions
- ✓ Filing of restated annual financial statements for December 31, 2020, following a continuous disclosure review by OSC – **zero impact on cash flow**. Fair value stream liability.





# RECENT **SUCCESSES**

Steppe Achieves

**92.9**

Implementation Score  
on Environmental  
Management Plan

**Bloomberg Mongolia recognizes Steppe's ATO Gold Mine as 2021 Development of the Year**



# **SUCCESSFUL PARTNER** **SITE VISIT**

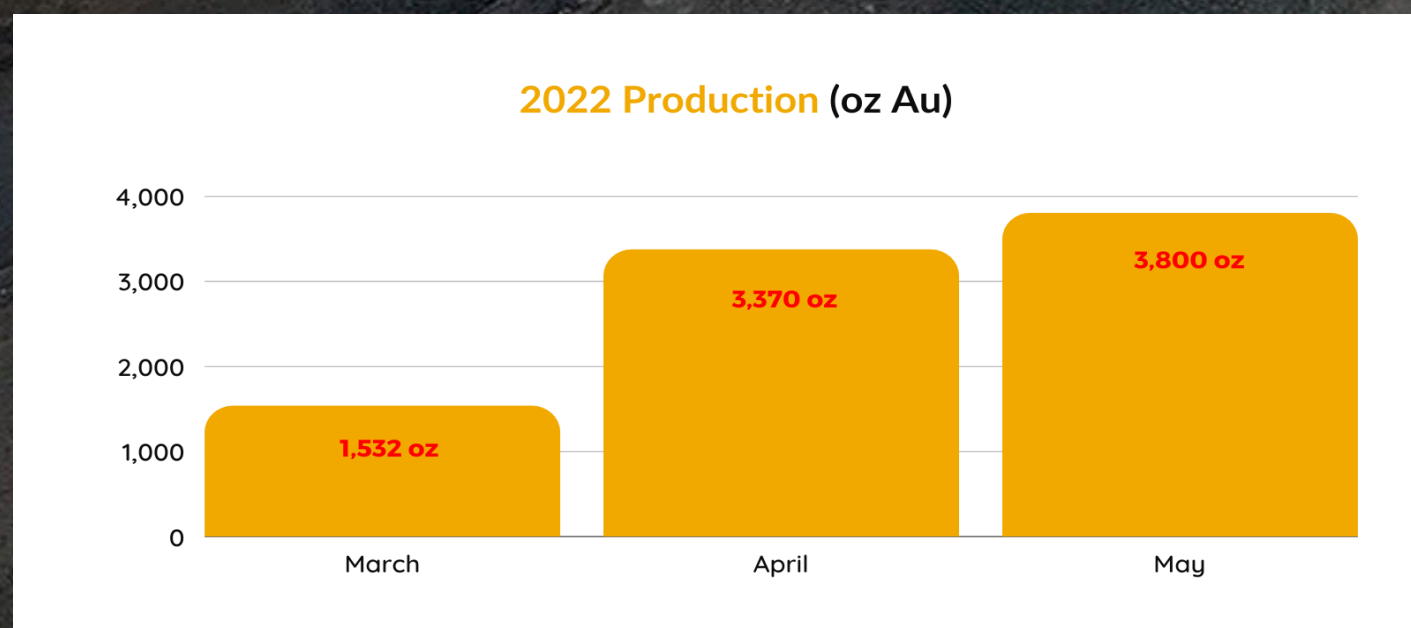
- ✓ With borders open and production back online, the Steppe Team was excited to finally host global partners at our ATO Gold Mine





# FROM VISION TO **EXPANSION**

- ✓ **First Gold Pour & Sales of 2022!**
- ✓ **Production: Back Online - Reagents received & new boiler house working well**
  - 2.45m tonnes of ore stacked on the leach and ROM pads.
  - Total of 81,842 ounces of recoverable gold (approx. \$147M at \$1,800/oz from ROM & unleached areas).
- ✓ **Feasibility Study complete and headline numbers released October 27, 2021**
- ✓ **Landmark US\$65M financing package = Fast-tracking Phase 2 construction**
- ✓ **Working on a further debt with Mongolian lenders and Asian traders**
- ✓ **Exploration programs on ATO and UK licences - ~20,000m**
- ✓ **Exploring the option of a listing on a major Asian stock exchange in 2022**







# CONTACT

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