# Business Plan

and

# Information Memorandum

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## Glossary of terms & definitions

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| Acid Leaching | The process by which metals are converted into soluble salts. Leaching is conducted in long, cylindrical pressure vessels (known as reactors or autoclaves). The process is carried out typically using acids, water and cyanide or ozone. |
| Assayer | A person or entity qualified to test ores and minerals and to analyse, report and certify same for composition, purity and value using spectrographic techniques, chemical, laboratory or industrial processes. |
| Assaying | The various processes and techniques used to determine the composition of a material and to identify precious metal proportions. Principal techniques include Fire Assay; Spectrometry; X-ray Fluorescence; |
| Basle III | The third stage of an accord reached in 2010 by members of the Basel Committee on Banking Supervision (augmented by the US Federal Reserve in 2011), aimed at setting suitable standards of capital adequacy for banks, conducting stress testing and market liquidity risk assessment. This third accord specifically compels banks to hold in reserve 4.5% of common equity and 6% of Tier 1 capital in the form of risk weighted liquid (or readily liquid) assets. Gold is considered as a readily liquid asset. Basle III became fully implemented in 2019. |
| Bond 'Rating' | A measurement of the creditworthiness of a bond (or other financial instrument), which corresponds to the cost of borrowing for an issuer. Ratings are given by private rating service providers such as Standard & Poor; Moody's; Fitch which evaluate a bond issuers financial strength or its ability to pay the Bond's principal and interest in a timely manner. |
| Cupellation | A first stage refining process used in metallurgy where ores or annealed or alloyed metals are treated under very high temperature to separate noble /precious metals from base metals and other impurities. |
| Cyanidation | A process using acid leaching, by which metallic Gold is oxidised and dissolved in an alkaline cyanide solution. |

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| Doré | Gold Doré refers to a bar composed of a mixture of precious metals, though these bars generally contain Gold and Silver. A doré bar is usually produced as part of the mining and refining process, but can also be created from scrap Gold and other products. |
| Fiat Currency | Fiat money is a government issued currency that is not backed by a commodity of value such as Gold. Fiat money gives central banks greater control over the economy because they can control how much money is printed and circulated. Most of world's modern paper currencies including the U.S. Dollar , are fiat currencies. |
| GLD | GLD: Good London Delivery is a set of rules issued by LBM describing the physical characteristics of gold and silver bars used in the settlement in the wholesale London Bullion market. |
| Gold EFT's | Gold Exchange Traded Funds. Financial products, such as Bonds, that are securitised by physical Gold and linked to, the price of Gold. They are traded on major stock exchanges around the world. |
| Hallmark | An official series of registered marks or symbols struck on items of precious metals to record distinguishing characteristics such as origin, weight, purity. Such marks are controlled and supervised by an independent body. |
| LBM | London Bullion Market (LBM) is the wholesale 'over the counter' market for the trading of Gold and Silver. It is regulated by the Bank of England and the UK Financial Conduct Authority (formerly the UK Financial Services Authority) and works closely with the LME for metal price setting. |
| LME | London Metal Exchange (LME) is both the day (cash) and the futures Exchange Market place specialising in trading contracts for sale / delivery of base and precious metals. Trading is conducted by12 ring members, who are also authorised as London Clearers and regulated by the UK Financial Services Authority. |
| LME Fix | This is the price (the Fix) that is determined and set by the LME members, twice each day. |

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| Miller Process | A rapid and simple refining process employing the use of gaseous chlorine to extract impurities from Gold when at melting point. This process achieves 99.5% maximum purity. |
| Noble Metals | Metals that are naturally resistant to corrosion and oxidation (rust) in moist air. They are considered rare and command high market prices. |
| Precious Metals | A rare metal of high economic value (defined and used in banking and global business by designation of ISO 4217) e.g. Gold, Silver, Platinum, Palladium. These metals are Metal Exchange traded. |
| Rare Earth Metals | Comprise 17 individual elements that are considered to be very commercially rare. They are in growing use and demand in complex industrial and high-tech applications and are now considered to be strategically important. They are not "Metal Exchange" traded metals and as such, pricing is privately controlled. |
| Refining | Processes used to extract and separate precious metals in mined materials, doré and from recycled products or, in other forms of metals reclamation. |
| WGC | World Gold Council (WGC) is a non-profit organisation of the world's leading Gold mining operators, aimed at promoting the industry and maintain strict controls over quality, ethics and practice. |
| Wohlwill | A refining process employing the use of electrolysis. A purity of 99.99% is achieved by immersing impure Gold into a hydrochloric and Gold chloride solution and then applying an electric current. All Gold metal will migrate to the cathode electrode, leaving the impurities as a residual solution. |

## 1. Foreword

SOLARGREEN INVESTMENT HOLDINGS LIMITED ("SIHL") is an Irish company with assets of €800 million and no current bank borrowings or debt. It is investing in the gold trading business and is seeking to raise €400,000,000 (EURO Four Hundred Million) by way of a secured loan to enable and facilitate, risk assessed, commercial engagements and investments in the precious metals market sector, the acquisition of operational assets & equipment and, to provide working capital.

The information provided in this Information Statement is not financial product advice and has been prepared by the Directors ("Directors") of SIHL without taking into account any third party investment objectives, risk profile, financial situation or particular needs.

It is important that this document is read in its entirety and due consideration is given to risk factors that could affect the performance of SIHL. Some risk factors that should specifically be considered are set out herein.

No representation, warranty or undertaking, whether express or implied, is made and no responsibility will be accepted by SIHL, the Directors or any of its advisors.

SIHL's shares are neither listed nor afforded a trading facility and no application has been made nor will an application be made in the foreseeable future to list or afford a trading facility for the shares on any stock exchange.

## 2. Executive Summary

SIHL is an Irish registered, single purpose corporate entity, established for the express purposes of investing in gold bullion (and possibly other precious metals including potentially other noble metal) mining activities; related value-added services and value chain processes; in the 'over the counter' and 'Futures' trading of Gold and, speculatively also, in or other precious/noble/rare earth metals and products. The company will purchase gold doré directly from the mines on a contract basis and transport it to its refinery for conversion to bullion.

SIHL has chosen to incorporate in and operate from, Dublin in the Republic of Ireland ("Ireland"), to take advantage of registering its subsidiary under section 110 of the Irish companies act. This jurisdictional choice optimises SIHL's proposed business & financial engagements and its strategic objectives. Ireland is a continuing member of the EU (with barrier-free access to the EU's 27 member states), possessing economic and political stability; is a 'business-friendly' environment with favourable and tax-efficient corporate structuring and is close to the London Bullion Market ("LBM") and London Metal Exchange ("LME").

In consideration for the issue of 50% of the equity of SIHL to Perry Holgraf Esculier, in the form of ordinary voting shares in SIHL, SIHL acquired, without recourse, unencumbered marketable assets (the "Secured Assets"), with a current valuation of over USD 1,000,000,000 (One Billion United States Dollars) equivalent to €800,000,000 (Eight Hundred Million Euro). These Secured Assets are held in the account of SIHL by Ferrari Expeditions SA of 20, Voie-des-Traz, 1211 Geneve 5 at a secure facility at the Geneva Free Port, Geneva Airport, Switzerland.

Ferrari Expeditions SA is part of the Ferrari Group of companies with 80 offices world-wide, a global market leader in the international transportation, logistics, insurance, storage and brokerage of jewellery, precious gems and stones and of high value, high security goods.

Banco Santander SA, of Av. De Cantabria S/N, 28660 Boadilla Del Monte, Madrid, Spain, has confirmed to SIHL, the value of the Secured Assets as of December 24, 2020, as follows:

"We, Banco Santander S.A., Av. De Cantabria S/N, 25660 Boadilla Del Monte, Madrid, Spain, hereby confirm with full banking responsibility, that the assets of Solargreen Investment Holdings Ltd deposited at Ferrari Expeditions SA, 20 Voie-des-Traz, 1211 Geneva, Switzerland, have a combined value of more than USD 1,000,000,000 (US Dollar One Billion), (the "Bank Confirmation").

SIHL will utilise the Secured Assets in the form of a first 'pledge' in favour of 'Solargreen Opportunities Designated Activity Company' ("DAC"), a wholly owned subsidiary of SIHL, as security for the issue of loan of up to a value of €400,000,000 (Four Hundred Million Euro), to SIHL. DAC will raise such loan proceeds via the issue of a 'Fixed Rate' Secured Euro denominated Note, bearing ISIN IE00BMW98V52, listed by Euronext on the Global Exchange Market ('GEM"). The loan proceeds will be substantially applied by SIHL to the purchase of raw gold for value added processing and for market exit.

The loan from DAC to SIHL will have a five-year term and interest of 4.5%, co-terminus with the maturity of the Euro Notes issued by DAC.

SIHL's key personnel have very extensive expertise, technical knowledge and 'Know How' within the Precious Metals market and possess a track record of commercial success. Two of the directors of SIHL in particular, are the major shareholders in gold trading company in the EU, namely SolarGold Zrt, which for over a decade, has been very successful in Metals trading and in the business of storing Gold bullion. SolarGold Zrt is also an exclusive distributor for the precious metals products of Argor Heraeus SA, Switzerland.

The operational activities, products and processes to be leveraged by SIHL and which are incorporated within the business model defined herein, demonstrates an extremely profitable enterprise, with minimal risk and generating an average rate of return on shareholders equity i.e., after payment obligations under the Loan and after tax, in excess of 13% (Figure 8).

## 3. SIHL Company Information

### 3.1 SIHL - Directors and Advisers

| | |
|---|---|
| Company Name | Solargreen Investment Holdings Limited. |
| Type | Private Company - Member Limited Liability |
| Incorporated | The Republic of Ireland on 23 January 2018 |
| Registration No. | 619239 |
| Registered Office | 25 Herbert Place, Dublin 2, DO2 AY86, Republic of Ireland |
| Accounting Year-End | $31^{st}$ December |
| Last Filing Date | $30^{th}$ October 2020 (Filing is Current). |
| Ordinary Shares<br>(Nominal Value €1.00) | Authorised Capital €100,000<br>Issued Capital €100,000 |
| Directors of SIHL | Perry Holzgraf Esculier (Chairman), France<br>Garth Collier, Ireland<br>Janos Skare, Hungary<br>Patrick O'Sullivan, Ireland |
| Managerial Office | Offices to be acquired in Dublin, Ireland |
| Secretary & Public Officer | Andrew Noone, (Noone Casey, Dublin) |
| Accountants and Auditors | Mazars, Block 3, Harcourt Centre, Dublin 2, Republic of Ireland |
| Legal/Solicitors | L K Shields, Dublin, Republic of Ireland |
| SIHL Website | www.solargreenholdings.com |

### 3.2 SIHL SUBSIDIARIES AND DIRECTORS

| | |
|---|---|
| Company Name | Solargreen Opportunities Designated Activity Company ("DAC") |
| Incorporated | The Republic of Ireland on 30 July 2020 |
| Registration No. | 674895 |
| Ownership | Wholly owned by Solargreen Investment Holdings Limited |
| Registered Office | 31-32 Leeson Street Lower, Dublin 2, Republic of Ireland |
| Directors of DAC | Patrick Vincent Landy, Ireland<br>Christopher Stears, United Kingdom<br>Francis Seng-Kiat Chua, Singapore<br>Sam Paul Dang, France<br>Michael E MacMahon, Ireland |

*All of the Directors of DAC are entirely independent of SIHL and have no equity or other interest, directly or indirectly, in SIHL. (see Section 9.2)*

### 3.3 SIHL MISSION STATEMENT

SIHL's goal is focussed on creating sustainable shareholder value for its investors and stakeholders through the acquisition and development of exceptional sources of precious metals / noble metals in various stages of purity, from both highly developed and prospective jurisdictions, and to add value to same (including refining and assaying), within the conversion, distribution, exiting cycle and via the global trading system.

SIHL will develop, through continuing market sector research, by the application of the special knowledge and network of its key personnel and by responding rapidly to Metal demand trends, a world-class reputation and brand of its own, in "the sourcing, delivery and trading of precious/noble metals", profitably fulfilling the needs of its clients with integrity and transparency.

### 3.4 Historical Business Activities

SIHL is a start-up entity and therefore, has no historical financial track record.

The Directors are, however, highly experienced entrepreneurs who already operate successfully in the Metals market sector. They collectively possess extensive industry-specific knowledge with exceptional metals research competence *(in conjunction with leading metallurgical firms such as Valls Geoconsultants, Vahan Exploration, Actlabs and Geoconsultora Fenix SAS*). SIHL have specific mining and market development 'know-how', together with all of the commercial, logistical, regulatory, technical & financial management expertise, necessary to ensure the commercial success of the SIHL business objectives described and modelled herein.

## 4. SIHL Target Business Sector and Business Model

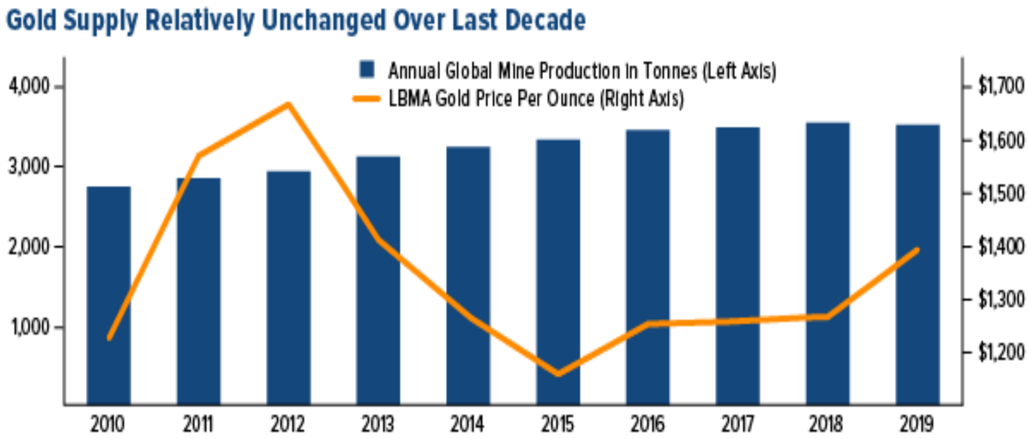
### 4.1 Background – Gold Mining: Nature of Market, Supply, Demand and Pricing

The global production of Gold (Au) has been on a gentle rise since 1980. Over the 10 years 2009 to 2019, mining output grew significantly, recording an average yield of circa 2700 metric tonnes per annum ("MT"). Final global output in 2019 was 3,531 MT and the output for 2020 in spite of the pandemic impact on global economies, is expected to attain 3500 MT.

During the 1990s, the price of gold started to fall to unsustainable economic levels, which was driven largely by a wave of Central bank sell-off of Bullion holdings. Gold production became unprofitable and supply fell. By 1999 the price of Gold had bottomed out. Beginning in late 1999, Gold prices began to recover as demand re-stimulated. Gold has averaged a 15% per annum price rise, since then.

This 1999 turning point tracked a weakening of the fiat USD, occasioned by the historic rise in public debt and a considerable increase in the volume of money supply. (This pattern of fiat currency and related credit expansion, has since been similarly adopted as a core but, questionable monetary policy, by all of the worlds G20 countries and is arguably, the source of much of the perceived economic instability in the world, today).

### FIGURE 1 - WORLD GOLD PRODUCTION AND PRICING




**Source:** ICE Benchmark Administration, Metals Focus, Refinitiv GFMS, World Gold Council, U.S. Global Investors

Significantly, there was also another pricing driver. This arose from the 'Washington Agreement on Gold' signed in 1999 by European Central banks and supported by the US Federal Reserve, Japan and the International Monetary Fund. This agreement restricted central bank sales of Gold and thus, avoided all unwanted fluctuations in the price of Gold. The Washington Agreement originally termed for 4 years, has been renewed multiple times.

The uniform regulatory response to the global banking crash of 2007-2010 coupled with:

1. a consequential and continuing rise in US Public debt;
2. the lowering of yields on US Treasury stocks;
3. a deepening pressure generally, on cross exchange rates; and
4. a rise in global inflationary conditions and reduced bank base rates caused a material demand change for Gold (indeed, other precious metals, including Silver and Platinum Group Metals) which have now become a most favoured 'safe haven' investment and which can be readily monetised.

MARKET SUB-SECTOR DEMAND FOR GOLD TODAY IS TYPICALLY AS FOLLOWS:

- Jewellery which accounts for the greatest single demand for all Gold production, worldwide.

- Private Investors seeking to achieve safe-haven, risk-managed, portfolios, against the perceived continued vulnerability of global equity, consumer and money markets. This trend has sparked a new industry of online bullion trading in Gold (and equally in Silver, PGM's and potentially, Rare Earth) EFT's

- 'Official' holdings by central banks as a perceived best strategy to hold and maintain value in their currencies and official reserves. The Basle III agreement set a requirement for all financial and prudential institutions to maintain a much higher Tier 1 capital adequacy ratio, in which Gold (and or other precious metal equivalents) is now a permitted liquidity equivalent component, in place of cash.

- Industrial and technological processes, including medical, biomedical and dental practice, where Gold provides high thermal and electrical conductivity and anti-corrosion properties. Recent research has uncovered many new practical uses for Gold, including its function as a catalyst in fuel cells, as well as chemical processing and pollution control and the use of nanoparticles of Gold in advanced electronics, coatings and cancer treatments. Space-based equipment and space exploration is a new and rapidly growing source of demand for Gold (and Rare Earth metals.)

A convenient tabulation of the above-market sector demand composition over the last 4 years and a forecast of expected change in same, over the next 5 years, is estimated as follows :

### FIGURE 2 - WORLD GOLD DEMAND AND TREND BY MARKET SECTOR

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| % COMPOSITION | | | | | Est. | F/cast | F/Cast | F/Cast | F/Cast | F/Cast |
| Jewellery | 40.3 | 52.9 | 50.6 | 47.0 | 42.0 | 42.0 | 40.0 | 40.0 | 39.0 | 39.0 |
| Private Investors | 38.7 | 30.1 | 26.7 | 21.6 | 25.7 | 24.0 | 25.0 | 25.0 | 25.0 | 25.0 |
| Official Holdings | 11.0 | 9.0 | 15.0 | 17.2 | 18.0 | 19.0 | 20.0 | 20.0 | 20.0 | 20.0 |
| Industrial Processes | 10.0 | 8.0 | 7.7 | 14.2 | 14.3 | 15.0 | 15.0 | 15.0 | 16.0 | 16.0 |
| Total: | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Data Source: 2016-2020 Statistica / 2021-2025, Gold Council

Although the aggregate production of Gold has been trending up for some years now, this level of activity masks a major change in the structure of production costs for Gold mines around the world.

There are several hundred Gold mines operating worldwide ranging in scale from minor to enormous. Gold production experiences comparatively long lead times, with new mines taking up to 10 years to come on stream. This means mining output is relatively inelastic, unable to respond quickly to a change in price outlook or demand. Even a sustained price rally, as experienced by Gold over the last 11 years, doesn't translate easily into increased production.

**FIGURE 3** - GEO MAP OF GOLD PRODUCING COUNTRIES AS OF JUNE 2020

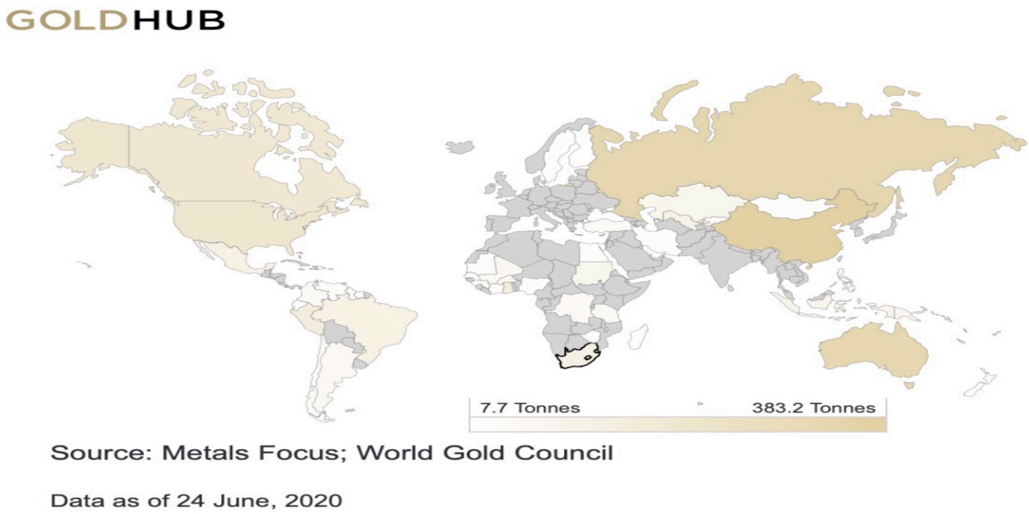
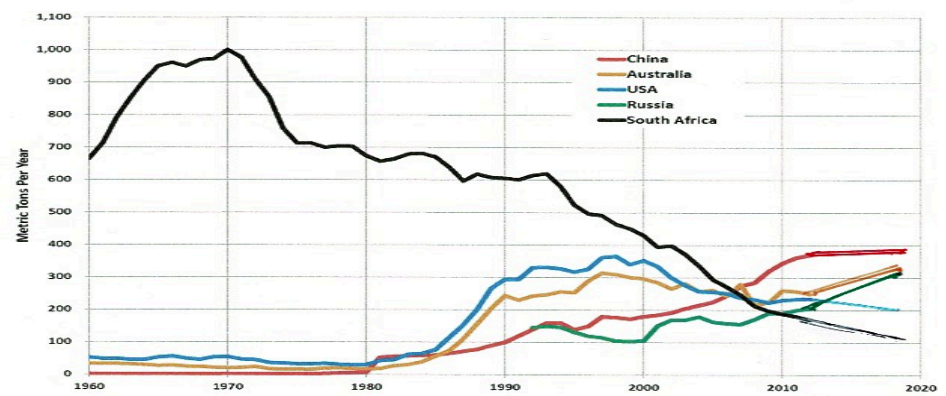



**FIGURE 4** - GOLD PRODUCING COUNTRIES AND OUTPUT TREND 1960 - 2019




Source: ResearchGate

In 2006, South Africa was the world's largest Gold producer, a position it held for over a century. At its peak in 1970, it produced over 1,000 MT and represented 80% of the world's supply. By 2009 South Africa had fallen to fourth place behind China, Australia, Canada and the U.S.A. producing just over 200 MT.

The South African decline was not due to a lack of available ore capacity. It was instead predominantly caused by:

1. majorly over-zealous health and safety responses by the Republic of South Africa Government;

2. national electricity infrastructure failures;

3. poor and uncompetitive productivity practices due to very high labour intensity and worker union actions – collectively leading to an operational break-even point at several key mining locations, that were economically unsustainable.

The supply side demise of South Africa has led, over the last 15 years, to an increased level of fragmentation in 'substitutional production' sourcing, as well as permitting China (or rather Chinese owned mines) to become the worlds' biggest supplier of Gold and almost by stealth, in 2016, accounting for over 14% of annual world production.

This fragmentation of world Gold production has led also to a decrease in the resilience of Gold mines generally, in the event of any fluctuation in Gold prices. In other words, less profitable mines were, and are, prone to close faster if a decline in the price of Gold reaches a critical event level.

The effective cost of mining and in producing Gold has increased sharply in many traditional mining zones (in addition to South Africa). The identification and exploitation of new, substantial and profitable mining locations, are increasingly rare. If these cost trends continue, a rationalisation of mines could occur with only lowest cost mines remaining competitive and being potentially unable to meet ever growing demand for Gold. A strategy to solve this issue and to ensure that a constantly growing world demand for Gold is satisfied, involves the application of niche sourcing and considerable market and value adding expertise.

Accurately estimating the amount of Gold still within the ground is no easy task and this estimate may change in response to several factors, such as:

- The current and likely price of Gold
- The cost of ALL mining inputs
- Exploration and new discoveries
- Prior geological survey coverage and capabilities

Mining companies will regularly estimate how much Gold remains at each mining project that they operate / explore. These can be split into two categories:

1) Reserves (*comprising Gold that is economic to mine at the prevailing Gold price);* and

2) Resources (*comprising Gold that will potentially become economic to mine, subject to further investigation or at a different cost - price level, or which will be accessible only when future high technology equipment and techniques, become available*).

It is estimated that at least 54 000 tonnes of known Gold reserves can be economically extracted with today's technology. All mines have a specific cost of production that the commodity price needs to support for the specific mine to be at least 'marginally' profitable. This is determined by a range of factors including quality and accessibility of ore or doré, the level of mechanisation and productivity, safety, and so on. These are all important factors to consider when either investing directly into mining companies or into 'resource' locations or when considering 'future' contracts, i.e. for guaranteed offtake, from such mines/locations.

The volume of Gold supplied to the overall market each year can be marginally affected by forward selling of future production – known as "producer hedging". Mining entities therefore, will want to lock in a specific price for their future production – for example, to manage project or exploration costs or in debt servicing. These commitments may directly affect the amount of Gold they produce at any point in time and how much volume enters the wholesale market. In previous decades, these hedging agreements had a substantial impact on supply levels but in recent years they have been small and shorter term in nature but, nevertheless, they are invaluable to the smaller producer and to the intermediary/brokering or refinery entities.

Access to lowest cost production is going to be a dominant factor in the future economics of the mining of Gold especially for those marginally profitable mines (such as South Africa).

SIHL has the experience, strengths and specialist 'know how' to be able to leverage the above opportunities and profit well from doing so. SIHL can do this at almost every level in the supply and value added chain.

## The Supply/Value Added Chain: Gold Refining and Assaying of Gold

### Gold Refining

This refers to processes used to extract and separate the precious metals in mined material (ore) or doré, and also from recycled or reclaimable products (e.g. jewellery and electronics).

The main techniques used to remove the final impurities to create high carat Gold are summarised below:

**Figure 5 - Techniques Used to Remove Gold Impurities**

| REFINING TECHNIQUE | REMOVES BASE METALS | REMOVES SILVER | REMOVES PGMS | LARGE SCALE REFINERS | SMALL SCALE REFINERS |
|---|---|---|---|---|---|
| CUPELLATION | ✔ | × | × | ✔ | ✔ |
| INQUARTATION AND PARTING | ✔ | ✔ | × | × | ✔ |
| MILLER PROCESS | ✔ | ✔ | × | ✔ | × |
| WOHLWILL ELECTROLYTIC PROCESS* | ✔ | ✔ | ✔ | ✔ | × |
| FIZZER CELL | ✔ | ✔ | ✔ | × | ✔ |
| AQUA REGIS PROCESS** | ✔ | ✔ | ✔ | ✔ | ✔ |
| PYROMETALLURGICAL PROCESS | ✔*** | × | × | ✔ | × |

*CAN ONLY BE USED WHEN INITIAL GOLD CONTENT IS ABOUT 96%
**ONLY SUITABLE WHEN INITIAL SILVER CONTENT IS LESS THAN 10%
***COPPER REMAINS IN GOLD

More low grade ore has been historically recovered by cyanidation than by any other process (but is a potentially dangerous pursuit).

The two Gold refining methods most commonly employed today to derive pure Gold from ore are the Miller process and the Wohlwill process.

The Miller process is rapid and simple, but it produces Gold of only about 99.5 percent purity. The Wohlwill process increases purity to about 99.99 percent by electrolysis.

## Assaying of Gold

This refers to the processes used to determine the composition of a material or item (e.g. jewellery, bar or coin) and measure the proportion of precious metal content.

The main techniques used are:

Figure 6 : Techniques Used To Determine Gold Purity

| TECHNIQUE | VERSATILITY | ACCURACY | LIMITATIONS |
|---|---|---|---|
| FIRE ASSAY | Only determines gold | 0.2 parts per thousand | Modifications needed when nickel and pgm's present |
| ICP SPECTROMETRY | Can determine other elements | 1 part per thousand | None |
| X-RAY FLOURESCENCE | Can determine other elements | 2-5 parts per thousand | Restricted largely to flat specimens |
| TOUCHSTONE | Only determines gold | Largely a sorting test, 15 parts per thousand | Unsuitable for high carat and hard white golds |
| DENSITY MEASUREMENT | Only determines gold | Poor | |

## Investing in Gold

While Gold has not officially backed world currencies (historically referred to as "the Gold standard') since 1971, it plays an important part in our modern world and economy. In times of negative gilt and bond yields, perceived systemic banking stress and the reduction in the real purchasing power of money, there will continue to be a massive global demand for Gold and other hard value assets, in risk managed portfolios.

Most analysts agree that Gold's strong performance over the last 18 months (to Dec 2020), which facilitated perceived market correction, is likely to level out in the near future and that a 'base ' of USD $2000 +/- per ounce is a high probability within the next 6-12 months.

For many experts, the global stock market valuations of 2020 look a lot like those in 1999/ 2000, which preceded a price increase in Gold of over 400% during the next decade. These experts suggest a similar pattern is possible over the next 10 years to 2030.

There seems little doubt that there will be much increased interest in the range of investment practices and investment products to those interested in storing value in precious metals.

It is suggested by some analysts that the GDX (Gold ex Resources Corp.) which tracks performance of the NYSE ARCA Gold Miner's index, could see that index rise by as much as 50-80% in 2021 alone (over the 2020 average). This forecast is justified by what is confidently said will be a likely significant upside demand for safe haven Gold, following the unique COVID -19 induced explosion in printed fiat money supply during 2020 (and probably into mid 2021), by just about every country in the world. This demand will cause the major miners to seek out greater, more accessible and profitable 'resources and reserves'.

All of the world's traditional major miners have seen a constant decline in the proven reserves derivable from their historic explorations . To maintain and enhance 'reserve assets', critical to underpinning capacity and capability to maintain ongoing financial performance and related stock prices, these major miners need to be active in Mergers and Acquisitions. Major mining entities depend on private placement funded exploration and 'Initial Public Offerings' ("IPO's"), to secure these. Typically, private placement funded exploration entities seek a 100-200% investment upside within 18 months and to exit to major miners, within 3-4 years.

Many commentators have argued that most of the biggest Gold discoveries in the world have already been found (most post World War 2). However, the impact of high technology in the identification of Gold sources, now offers the capability of identifying many veins, hitherto invisible or inaccessible.

In recent years much private placement funding has been invested into precious metal exploration and this already proven up highly viable NEW discoveries in Australia, USA and even, South Africa.

Potential investors in Gold have a variety of investment products available to them, from physical Gold and derivative instrument, to Gold mining stocks.

There are different ways of investing in Gold, depending on investment objectives:

- Physical Gold (jewellery, Gold bullion and bars, and coins)
- Gold certificates
- Gold mining stocks
- Gold mutual funds
- Gold futures contracts
- Gold royalty companies

Gold investments can be used to hedge against inflation; for growth or income; or to diversify an investment portfolio. Each investment avenue has its own risk and return profiles, liquidity characteristics and fees. There is no one-size-fits-all or single best way to invest in Gold.

Physical Gold is easy to acquire and is an effective guard against inflation yet, it needs to be stored in a secure environment and doesn't provide the same return on investment as Gold mining stock. Gold equity investments typically holds greater appeal for capital growth investors, than income investors.

The benefits of investing in Gold mining stock include maximised exposure to growth potential of the underlying company. Increases in the prices of Gold are often levered in Gold stock prices, with even small increases often having a disproportional impact on the price of Gold stock as cash flows increase disproportionally with an incremental increase in the price of Gold. The same degree of leverage is not available to investors in physical Gold.

In addition, whereas physical investments in Gold are only exposed to increases in the price of Gold, miners can expand their businesses over time by finding new deposits or acquiring other Gold producers, with investors benefitting from the increased production, resulting in potential capital appreciation in excess of that of a physical Gold investment.

As Gold bearing ore often contains various other elements, miners will often mine Gold in conjunction with other minerals (e.g., Nickel, Copper). A diversified metals portfolio can shield investments against a potential downturn of a particular commodity and dilute exposure to Gold.

As previously commented, Gold is mined by different-sized companies, from small micro-cap companies to major mining houses with a market capitalisation greater than US$10 billion. This presents a variety of mining stock options for potential investors to choose from.

Given their small market capitalisation, smaller miners – those companies producing less than approximately 150 ounces per year – experience the greatest volatility in stock price but do offer a higher risk/reward investment.

Mining is a very capital-intensive industry, costing a lot of money to maintain and expand operations. Working capital is critical for all mining companies to survive, and this pressure is felt most acutely by the junior miner. Despite this, investors seeking to maximise producer's leverage to Gold, will most often favour smaller miners.

On the other end of the spectrum, major established mining companies provide greater stock market stability and have a greater ability to weather any potential downturn in commodity prices that can be fatal to smaller companies. These stocks, however, do not change in value as dramatically as smaller stock companies, offering typically lower but safer returns.

Offering well-balanced investment options, the attractiveness of mid-tier miners has surged, as these companies are well positioned for strong production growth. While major miners struggle with declining production and in finding enough new Gold to offset depletion, mid-tiers with strong assets are increasing Gold output and seen as the sweet spot for stock-price appreciation potential.

While the value of a Gold mining stock is closely correlated with the Gold price, expected future earnings of the company also affect the performance of the stock. Beyond factors such as a company's dividend pay-out ratio, financial health and market position, potential Gold investors should also carefully consider a company's mining costs, management, existing mine portfolio, reserves, exploration and expansion opportunities at both existing and new assets.

Miners with high-quality assets and efficient production systems and processes are able to remain profitable even when the price of Gold is down.

Like any investment or financial asset, there are advantages and disadvantages of investing in Gold. Like any commodity, Gold is subject to supply and demand pressures, which does cause the price to fluctuate.

Greater investment demand for Gold is driven by its safe haven properties: a safe bet in times of economic and political uncertainty. As stock market risk increases, investors will migrate to safe haven investments like Gold, spurring demand that then drives the commodity price up. This is why the price of Gold often moves in opposition to the volatility in global equities and bond markets or stress within global economies.

With Gold highly likely to be a strong performer through 2021 and beyond for the reasons espoused herein, Gold as an investment will remain in the spotlight.

With a variety of Gold investment products and opportunities available, investors can build a most effective portfolio to store monetary value, hedge risk, secure capital growth and create sustainable income. Gold is a defensive investment, performing well in uncertain and volatile market conditions. It is a safe and reliable performer.

### 4.2 BACKGROUND – PLATINUM (PGM) AND SILVER MINING OPPORTUNITIES: NATURE OF MARKET, SUPPLY, DEMAND AND PRICING

Platinum Group metals ("PGM") comprise Platinum, Palladium, Rhodium, Ruthenium, Iridium and Osmium. All are considered as Noble and Precious metals.

Global production / demand take for PGM's over the past 5 years has grown steadily. Aggregate global output of all PGM's for 2019 amounted to approximately 180 MT. Prices have surged in the wake of increasing annual demand.

The principal historical factors driving the demand (and the pricing) of PGM's have been:

- Platinum: Automotive industry, jewellery and lately, safe haven investments - Demand and pricing is currently trending level.

- Palladium: Automotive and electrical –Demand and pricing is currently trending level

- Rhodium and Ruthenium: automotive – Demand is trending UP. (Pricing of Rhodium now at circa USD 15,000 per ounce and moving to USD 20,000 per ounce)

- Iridium: electronics – Demand is trending UP (Pricing now USD 2,500+ per ounce and moving to USD 3,000 per ounce)

In the future (2021 onwards), some additional drivers will move up the demand for PGM's and also Silver, even more. These will include :

- China 6 vehicle emissions legislation likely to lead to an incremental rise in PGM demand

- The increased demand for clean energy systems such as wind and solar, is limited in exploitation by the ability to store generated electricity.

  Battery based technologies are improving but hydrogen fuel cell systems are the most effective for gigawatt output needs. The roll out of hydrogen fuel cell systems commensurate with solar and wind system design, will demand greater quantities of platinum.

  To meet expected growth in clean energy systems / hydrogen fuel cells and electric transportation systems, will mean a 30 times growth in Platinum demand by 2030. PGM's are however, relatively scarce. The challenge therefore, is to seek out and develop enough mining capacity, accordingly.

- The expected move by the USA towards carbon neutral energy production by 2050 will also place an increased demand on Silver. 10% of global silver is used in solar energy system products. There are plans to grow this sector by up to a 1000 x's, globally. Silver will be a product to exploit strategically, accordingly.

The production of Platinum group metals typically originates within the residue from the mining and production of other metals, such as Gold mines. Platinum metals are specifically found within the mining residue of Gold, copper and nickel.

As with Gold, established processes used to extract Platinum Group metals from mine residue are tried and tested and are relatively cost effective to operate.

With rising global demand for PGM / noble (corrosion resistant) metals and Silver, an additional market opportunity is potentially available to SIHL to exploit and trade off same, profitably. THIS UPSIDE POTENTIAL IS NOT MODELLED IN THE SIHL BUSINESS PLAN.

### 4.3 SIHL Business Opportunity

Based on the foregoing market sector analyses for Gold, the Gold market sub-sector demand forecasts, already identified niche opportunities for sustainable profit potential, coupled with SIHL's intimate understanding of the economics of Gold production (and that of other precious metals), SIHL's primary business objective for the period 2021-2025, will be to aggressively identify, explore, develop and invest into Gold assets. Astute negotiating of spot and forward purchasing agreements for ore/doré with partner mining entities, will be the key to success. SIHL believes it has undeniable ability to achieve this via its Director's demonstrable track records.

SIHL will ensure that all of its Gold investments maintain a balanced portfolio of assets which steadfastly matches risk versus reward and also optimises SIHL's cash flows.

These portfolio assets will include:

- The purchasing and transporting (via high security carriers such as Brinks and Ferrari) of raw Gold to SIHL's refinery (likely at Argor Heraeus) and the sale of Bullion which complies with GLD standard, via wholesale Gold Bullion Markets (including LBM).

**NOTE:** The shipment of gold ore and the insurance of same to the SIHL refinery, is undertaken by the supplying mine. Title to the Gold remains that of the mine, until refined, at which time SIHL makes payment to the mine according to the assay report issued, in exchange for title to the refined product.

SIHL's buy/sale operations in this respect, will be managed in such a way as to realise a gross margin on refinery exit of at least between 8% and 10% after refinery output. SIHL's business forecasts herein assume just one inbound consignment per month although capacity exists to handle much greater frequencies.

It is SIHL's belief that current market conditions will in fact, return higher profits. The margins modelled herein however, are more than sufficient to ensure SIHL's ability to meet the interest payments on the Loan from DAC, as well as returning a respectable post tax return on investment ("R.O.I") for SIHL shareholders.

- The participation in the creation Gold back derivatives for Gold EFT Trading, structured and conducted under appropriate regulatory regimes and rules.
- Selective direct investments into smaller mining entities that meet strict return on investment and board approval criteria.

SIHL currently has several worldwide mining investment opportunities which are actively being researched by its management team with at least one at contract stage. This one contract alone will guarantee Gold production and supply to SIHL, of at least 1000 kg per month.

**NOTE:** South Africa currently has over 80 registered new mining projects in various stages of development, as well as sizeable 'reserves' within older mines. South Africa may well have lost its past market dominance in Gold supply (due solely to past operational challenges) but, the country is now ripe for re-development. It has amended its ways and overcome many of its barriers to productivity. Its reserves and potential resources coming on stream from new discoveries are critical to increasing the value of mining stock/share valuations, there. SIHL intends to be at the forefront of the South African resurgence and invest into mining 'positions', in a focussed manner.

- The selective holding of Gold Bullion on SIHL's own account, for a qualifying time, for the purposes of making incremental capital gains.

The business models and forecasts prepared, summarised and suitably qualified in Section 6, herein, show that the SIHL business plan is profitable and sound.

## 4.4 INVESTED CAPITAL – USE OF LOAN FUNDS

The net proceeds from DAC will be predominantly used to purchase raw Gold from established Gold mining companies and countries at highly competitive prices, make mining investments and acquire limited tangible fixed assets. The balance of loan funds will be applied to meet SIHL working capital and any contingency needs.

### FIGURE 7 - APPLICATION OF LOAN PROCEEDS - USE OF FUNDS

| **DEPLOYMENT OF LOAN FUNDS** | **EURO ('000)** |
|---|---|
| Mine Investments & Acquisition of Precious Metal Ore/Dore for processing. | 340,000 |
| Holding and storage of bullion (GLD) Gold and other tradeable metals. | 20,000 |
| CAPITAL EXPENDITURES | |
| Office Facilities, Equipment and Trading systems | 1,000 |
| Safety, Security and I.T. | 500 |
| SUB TOTAL | 361,500 |
| WORKING CAPITAL & CONTINGENCY | 38,500 |
| TOTAL USAGE OF FUNDS | 400,000 |

*The above use of funds tabulation is predicated on SIHL being able to derive the maximum permitted loan of Euro €400m from DAC, which is not guaranteed.*

## 5. Directors - Key Personnel

### 5.1 Solargreen Investment Holdings Limited

#### Perry Holzgraf Esculier, Chairman, Director

Following a successful career in the field of telecommunications in France, Perry migrated to South East Asia and continued in the same line of business distributing renowned brands like Alcatel Alstom, Pirelli and NEC of Japan. He then arranged financing through barter trade of hard and soft commodities, pioneering such practice in the region.

Perry also developed infrastructure projects in Vietnam for which he arranged financing by IFC of the World Bank and the Asian Development Bank.

He traded commodities including precious metals such as Gold and is currently the Chief Executive Officer of SolarGold Zrt, an EU regulated Gold trading and investments company based in Hungary. Perry is heavily involved in Gold mining investments, processing and custody facilities and has vast experience in international trade, project financing and corporate financing.

Perry will oversee the control and management of SIHL on a day by day basis. His main management functions include negotiating the long term supply contracts with the mining companies, making sure that the paperwork and export documentation is in order and tax compliant, arranging for transport to the refineries and arranging the banking facilities to pay for the Gold after refining.

#### Garth Collier, Chief Operating Officer, Director

Educated at the prestigious Trinity College Dublin Business School in Ireland, for the past twenty years Garth has been based in Geneva, Switzerland, where he established and developed an abundance of invaluable global business contacts. Initially working in the financial services and with a Greek Pension fund he later established Treasury Leasing, an aircraft leasing company, for which he negotiated a sale to a group from ING bank. Currently he is involved with a Private Equity fund specialising in structured finance products in Geneva which has relationships with a number of the institutions in Switzerland and has multiple worldwide contacts.

Prior to relocating to Geneva, Garth worked in the family motor engineering, and hardware distribution business. He later invested in and developed real estate projects specialising in restoration. One of his most notable projects was the purchase of a disused train depot which was converted into Ireland's leading music and exhibition venue.

Garth has spent much of the last year developing business in Asia with a view to developing the Private Equity, Asset management and structured product origination through the development of the group in Ireland which allows for the tax efficient fund raising through the issuing of Section 110 Bonds and equity participation in IPOs arising.

### JANOS SKARE, DIRECTOR

Janos is a multi-lingual business professional with working experience in the USA, Australia and Hungary. He has accumulated a wealth of experience in Gold mining and, Gold and precious metal trading.

Janos was involved with commodity trading in the USA and has held positions as the head of Forex Trading and Head of Corporate Treasury in various companies.

### PATRICK NIGEL O'SULLIVAN, DIRECTOR

Patrick (Nigel) O'Sullivan has over 25 years in senior financial management within the property sector. He was the Financial Controller in one of Ireland's leading property development and construction companies. Property development demands a high degree of financial planning, cashflow management while keeping to within budgets. Patrick brings a great deal of experience in this regard. having completed over 250 residential housing units within budget and bringing in over €25m profit. He also financially managed and brought to within budget a €50m+ commercial office development while maintaining good relationships with its investors and banks. Patrick also managed a portfolio of rental property and ensured the annual rent of €2.5m was received and investors were paid. He also calculated a number of feasibility reports on future developments such as a €100m+ shopping centre, €80m+ commercial office development and a €50m+ residential student accommodation scheme.

After the world property market collapsed, Patrick moved to look at opportunities in Africa where he spent a number of years working on the development and construction of houses, before joining the Borrower.

With a degree in Economics and Mathematics, he went into Finance and Tax Auditing before moving career into senior financial management roles in the property sector.

## 5.2 SOLARGREEN OPPORTUNITIES DESIGNATED ACTIVITY COMPANY

### PATRICK VINCENT LANDY, CHAIRMAN, DIRECTOR

Pat Landy is an experienced business adviser with over 40 years of experience in the financial services industry. Educated at University College Dublin (UCD), he graduated with B, Comm. (2nd Class Hons), and MBS (1st Class Hons) degrees. His initial career was spent in middle management roles in the Chemical and Telecommunications sectors.

Pat commenced his career in the Financial Services Industry in the mid 1980's when he joined the Irish State-owned venture capital organisation Nadcorp as a Senior Investment Executive. Subsequently, in 1990, he joined NCB Group Ltd as a Director of Corporate Finance. In this role, Pat was responsible for a wide range of cross-sectoral M&A, Fundraising, IPO, MBO/MBI and Financial Restructuring transactions. In 1999, with a group of colleagues, he co-founded Merrion Capital Group, a stockbroking, corporate finance and investment management entity. Pat resigned his position with Merrion Capital Group in late 2003 to establish his own financial advisory business.

Since then, he has acted as a corporate finance and investment adviser to a number of family investment vehicles and publicly quoted/private business organisations. In November 2011 to January 2014, he was Acting Managing Director of Zamano plc. During his tenure at Zamano plc, the company's business strategy was re-aligned and its debt structure was successfully renegotiated. He remained on the board of this company in a Non-Executive capacity until November 2018 when the business was sold, and a Members Voluntary Liquidation was approved to distribute the substantial cash balances in the company thereby providing substantial multi-million profits to the shareholders.

### FRANCIS SENG-KIAT CHUA, DIRECTOR

Francis is a Singapore-based businessman/investor with interests in leisure, property, biotech, and fintech. He was the founding Managing Director for the first private-government Business Angel Fund with Spring Singapore (now renamed ESG or Enterprise Singapore), the government agency supporting small and medium enterprises.

Francis is also a founding member of the Business Angels Network, Southeast Asia (BANSEA) which is a non-profit organization to bridge and connect start-up companies and Angel/VC investors.

### SAM PAUL DANG, DIRECTOR

Sam graduated from Gérard de Nerval University in Noisiel, France with a Bachelor of Technology: International Trade and is currently Executive Director of Octo Capital Corporation in Singapore where he handles investment in financial instruments such as shares, forex or bonds, or derivatives such as collateral mortgage obligations or options.

He was previously Executive Director with M-Power Food Industries Pte Ltd (Singapore & Vietnam), and Country Manager for the Danoca Group of Companies (Singapore and Vietnam).

### CHRIS STEARS, DIRECTOR

Chris is a solicitor specialising in regulation, legal risk management, corporate finance, as well as company commercial matters and private acquisitions. He acts as general counsel for clients in the financial services, automotive and fintech sectors and as a senior legal consultant with DLA Piper, having trained and practised with a leading city law firm and recently as principal and legal counsel at Medius Consulting and Elixirr International plc.

Chris is a chartered fellow of the CISI; Visiting Lecturer in Financial Law and Compliance at BPP Law School; Hon. Visiting Fellow at the Centre for Banking Research, Cass Business School; former visiting scholar at the Law Commission; founder and former research director of CCP Research Foundation; and is the co-author of the (3rd ed.) OUP publication, 'Legal and Conduct Risk in the Financial Markets'."

### MICHAEL EUGENE MACMAHON, DIRECTOR

Michael had a background in Life Assurance with Canada Life before moving into the creative design industry. His clients from his Dublin base included Microsoft, for whom his company oversaw the development of Windows 95 packaging in 21 language versions, and Ernst & Young in Houston, Texas who commissioned his company to design a series of utility branding projects. After selling his design business, he concentrated on several consultancy projects, many involving extensive travel in Asia, particularly China, Indonesia, and Thailand as well as some local Irish businesses. Michael has worked closely with Solargreen Investment Holdings in the development of its website and future online gold business.

## 6. Financial Information and Forecasts

The financial information contained in this document is based on the application of certain assumptions regarding future events. They have been prepared by and are solely the responsibility of the Directors. They do not take into account major disruptions or substantial increases in inflation, which may affect the activities of SIHL. The following financial projections have been prepared for illustrative purposes only and should not be taken to constitute a forecast of the actual operational results at the dates shown. The Directors emphasise that there is no certainty that actual results will correspond with the future projections.

### 6.1 Accounting Policies

No research and development expenditure has been capitalised in the projected balance sheets. All revenues are recognised as they are invoiced. The effect of revenue recognition and tangible and intangible asset accounting policies yet to be established, may affect the results actually reported.

### 6.2 Income Statement Forecasts Year 1 to Year 5

#### Figure 8 - Income Statement (Profit & Loss)

| € '000 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|---|---|---|---|---|---|
| Revenue | | | | | |
| Gold Trading | 300,000 | 345,000 | 396,750 | 456,263 | 524,702 |
| Future Trading | 100,000 | 115,000 | 132,250 | 152,098 | 17,4901 |
| | 400,000 | 460,000 | 529,000 | 608,361 | 699,603 |
| Cost of Sales | | | | | |
| Gold Trading | -264,600 | -304,290 | -349,934 | -402,424 | -462,787 |
| Future Trading | -86,000 | -98,900 | -113,735 | -130,795 | -150,415 |
| Processing Costs | -5,400 | -6,210 | -7,142 | -8,213 | -9,445 |
| | -356,000 | -409,400 | -470,811 | -541,432 | -622,647 |
| Gross Profit | 44,000 | 50,600 | 58,189 | 66,929 | 76,956 |
| Operating Expenses | -3,300 | -3,795 | -4,364 | -5,019 | -5,772 |
| Reimbursement of Expenses | -200 | -150 | -150 | -150 | -150 |
| Total Operating Expenses | -3,500 | -3,945 | -4,514 | -5,169 | -5,922 |
| Earnings Before Interest & Tax (EBIT) | 40,500 | 46,655 | 53,675 | 61,760 | 71,034 |
| Interest Costs (DAC Loan) | (18,000) | (18,000) | (18,000) | (18,000) | (18,000) |
| Earnings Before Tax | 22,500 | 28,655 | 35,675 | 43,760 | 53,034 |
| Taxation | 2,813 | 3,582 | 4,459 | 5,470 | 6,629 |
| Earnings After Taxation (EAIT) | 19,688 | 25,073 | 31,216 | 38,290 | 46,405 |
| Dividends | 0 | 0 | 0 | 0 | 0 |
| Retained Earnings | 19,688 | 25,073 | 31,216 | 38,290 | 46,405 |
| | | | | | |
| EBIT (%) | 10.13% | 6.23% | 6.74% | 7.19% | 7.58% |
| EAIT (%) | 4.92% | 5.45% | 5.90% | 6.29% | 6.63% |
| Return on Shareholder Equity – Ave. Year 1-5 | | | | | 13.30% |

### 6.3 Important Information - Income Statement Forecasts: Year 1 to year 5

The illustrated Income statement is modelled on the following core data and assumptions:

1. Year 1 operations are deemed to commence from the date of the drawdown of the loan from DAC, and assume that all material administrative, service, logistical and other contracts necessary for the official rollout of operations are in place.

2. Revenue (both Gold Trading & Future Trading) - Assumes Gold will be pre-sold (traded out) at refinery exit, in line with contracts managed via LBM or other global metal trading floor. The gross revenue is calculated by reference to the LME Fix for any Gold. The LME USD rate per ounce assumed by SIHL and used throughout in the income statement, is USD 1,800., being the expected peak level for December 2020, as per Figure 9.

**Figure 9**: Gold Pricing 2016-2020


*Source: Goldman Sachs*

3. The cost of acquiring ore/doré (for both Gold Trading and Futures Trading) plus, the cost of its transportation to the refinery utilised by SIHL (Argor Heraeus SA or the like), conservatively assumes purchase from the mine at a minimum average discount of 10% on LME fix.

4. The number of productive days per annum assumes a Monday to Friday work pattern for 48 weeks per annum. Metals Trading will be 24/7, on global market systems

5. Processing costs. All ore/doré purchased will required to be refined and hallmarked at SIHL expense so, as to become compliant with Good London Delivery/LME/ LBM/WGC protocols. Provision for refining is made at the rate of 1.5% of 'cost of sale'.

   NOTE : All ore/doré is shipped by the mine, at the mine's expense, to SIHL's refinery and held in the tile name of the mine, until refined/assayed, at which time, SIHL pays the mine and title passes to SIHL. SIHL either immediately sells the Gold to the market at LME 2nd fix or, stores the bullion securely for later re-sale or other strategic purpose.

6. Operating expenses comprise executive and other salaries, all office costs and related administration of SIHL (including accounting, legal and other normal enterprise costs). For convenience only, no charge for amortisation / depreciation of tangible assets have been included) in arriving at E.B.I.T.

7. Reimbursement of expenses comprises the indemnity of operational costs and expenses incurred by DAC. This category also includes a payment to DAC of €2,000,000 (Two million Euro) in Year 1, as a provision for one-time costs likely to be incurred by DAC

8. Interest costs comprises the annual interest payable on the €400 million loan from DAC @4.5% per annum (€18 Million per annum.)

9. Taxation is calculated at 12.5% of the "Earnings Before Tax and Amortisation"

## 6.4 Balance Sheet Forecasts Year 1 to year 5

### Figure 10 - Balance Sheet (Excl. Depreciation)

| € '000 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|---|---|---|---|---|---|
| **Tangible Fixed Assets** | | | | | |
| Facilities/Office | 1,000 | 1,000 | 2,000 | 3,000 | 5000 |
| Equipment | 500 | 1000 | 1500 | 2000 | 2500 |
| Other | 100 | 200 | 300 | 400 | 500 |
| **Less**: Depreciation Res | 0 | 0 | 0 | 0 | 0 |
| **Net Tangible Assets** | **1,600** | **2,200** | **3,800** | **5,400** | **8,000** |
| Marketable Assets/Securities (Pledged) | 800,000 | 800,000 | 800,000 | 800,000 | 800,000 |
| Mining & "Revolving" Investments in Metal | 380,000 | 380,000 | 400,000 | 420,000 | 50,000 |
| | **1,800,000** | **1,800,000** | **1,200,000** | **1,200,000** | **850,000** |
| **Current Assets** | | | | | |
| Other Inventories – Trade | 20,000 | 28,000 | 35,000 | 40,000 | 46,000 |
| Trade Receivables | 7,671 | 8,822 | 10,145 | 11,667 | 13,417 |
| Cash at Bank/In Hand | 9,903 | 27,320 | 30,728 | 43,330 | 52,180 |
| | **37,574** | **64,142** | **75,873** | **94,997** | **111,597** |
| **Less Current Liabilities** | | | | | |
| Trade Payable | 7,174 | 8,250 | 9,487 | 10,911 | 12,547 |
| Other Payables (Incl. Taxation) | 3,063 | 4.082 | 4,959 | 5,970 | 7,129 |
| | **10,236** | **12,332** | **14,447** | **16,881** | **19,676** |
| **Net Current Assets** | **27,338** | **51,811** | **61,426** | **78,116** | **91,921** |
| **TOTAL ASSETS** | **1,208,938** | **1,234,011** | **1,265,226** | **1,303,516** | **949,921** |
| **Long term Liabilities – Note Payable** | 400,000 | 400,000 | 400,000 | 400,000 | 0 |
| **Shareholder Equity** | | | | | |
| Ordinary Shares | 100 | 100 | 100 | 100 | 100 |
| Share Premium | 790,900 | 790,900 | 790,900 | 790,900 | 790,900 |
| Retained Earnings | 17,938 | 43,011 | 74,226 | 112,516 | 158,921 |
| **TOTAL LIABILITIES** | 1,208,938 | 1,234,011 | 1,265,226 | 1,303,516 | 949,921 |

## 6.5 Important Information: Balance Sheet Forecasts: Year 1 to year 5

The illustrated balance sheet is modelled on the following assumptions:

1. Plant & Equipment assumes the acquisition of office and any overseas sub-office facilities plus, operational equipment, vehicles and IT systems during Year 1. Business expansion will drive a further gradual build up in tangible assets and other capital purchases. (For ease of accounting and presentation only, no charge for depreciation has been included in the Profit & Loss or Balance Sheet).

2. Marketable assets/securities represents the book value of valuable assets transferred to SIHL, as consideration for the issue of 50 ordinary shares to Perry Holzgraf Esculier. The current market value of such assets as of December 24, 2020 was confirmed by Banco Santander S.A. to be in excess of USD 1,000,000,000 (One Billion USD) deemed equivalent to a book value of € 800,000,000 (Eight Hundred Million Euro).

3. Trade receivables: Assumes SIHL receive payments for refined metal every 30 days. (In reality, this is payable with 7 days of refining and exit).

4. Trade payables: Assumes a conservative 30 days credit period on all operational purchases. (In reality, the process of buying, processing and selling of Gold, will involve very little credit risk or capital employment, as SIHL will not pay for its purchased ore from mines until same is refined at which point SIHL pays the supplier. The exit market for Gold is very rapid after refining and payment to SIHL for metal sold is more or less immediate)

5. Other payables: Assumes only local taxes.

6. Bank balances assumes no re-investment strategy and no dividends paid by SIHL to ordinary shareholders, until after the Loan from DAC is repaid.

7. No carrying value (intangible asset value) has been computed and incorporated within the Balance Sheet, with respect to any of SIHL's or its partners' Intellectual Property.

8. The amount of long-term liabilities represents the principal value of the Loan from DAC. The Year 5 forecast shows this loan being redeemed at or just prior to year-end.

## 6.6 SOURCE & APPLICATION OF FUNDS FORECASTS YEAR 1 TO YEAR 5

### FIGURE 11 – SOURCE AND APPLICATION OF FUNDS

| € '000 | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 |
|---|---|---|---|---|---|
| **Earnings Before Interest and Taxation** | 38,500 | 46,655 | 53,675 | 61,760 | 71,034 |
| Issue of Share Capital | 100 | | | | |
| Share Premium | 790,900 | | | | |
| Net Loan Proceeds - from DAC | 400,000 | | | | |
| | 1,229,500 | 46,655 | 53,675 | 61,760 | 71,034 |
| **Acquisition of Marketable Assets** | 800,000 | | | | |
| +/- Tangible Assets | 1,600 | 600 | 1,600 | 1,600 | 2,600 |
| +/- Mining & Metals Investments | 380,000 | 0 | 20,000 | 20,000 | -370,000 |
| Interest Paid on Secured Loan | 18,000 | 18,000 | 18,000 | 18,000 | 18,000 |
| Taxation | 2,563 | 3,582 | 4,459 | 5,470 | 6,629 |
| Dividends Paid | 0 | 0 | 0 | 0 | 0 |
| Repayment of Loan to DAC | | | | | 400,000 |
| OUTFLOWS | 1,202,163 | 22,182 | 44,059 | 45,070 | -342,771 |
| Change Net Current Assets (excl. Cash) ("-" = increase) | -17,435 | -7,055 | -6,208 | -4,088 | -4,954 |
| NET CASH INFLOW/OUTFLOW ( "-" ) | 9,903 | 17,418 | 3,407 | 12,602 | 408,851 |
| Working Capital | | | | | |
| Change in Other Inventory - Trade | -20,000 | -8,000 | -7,000 | -5,000 | -6,000 |
| Change in Receivables | -7,671 | -1,151 | -1,323 | -1,522 | -1,750 |
| Change in Payables | 7,171 | 1,076 | 1,238 | 1,423 | 1,637 |
| Change in Other | 3,063 | 1,019 | 878 | 1,011 | 1,159 |
| **Total Change** | -17,435 | -7,055 | -6,208 | -4,088 | -4,954 |
| Bank - Begin | 0 | 9,903 | 27,320 | 30,728 | 43,330 |
| Bank - End | 9,903 | 27,320 | 30,728 | 43,330 | 52,180 |
| **NET CASH INFLOW/OUTFLOW( "-" )** | 9,903 | 17,418 | 3,407 | 12,602 | 8,851 |

### 6.7 Important Information - Source and Application of Funds Forecast Year 1 to year 5

1. The Source and Application of Funds statement in Figure 11, commences with the EBIT from each year's Income Statement (Figure 8) and then reconciles to movements in each non-cash Balance Sheet component (Figure 10) during the year ended. The result is the net cash inflow or outflow, for any given year.

2. Year 5 assumes that a full liquidation of SIHL's marketable metal and other monetary holdings will occur at or prior to year-end, in order to meet the Loan redemption obligation to DAC

## 7. Competitive Analysis

The market for Gold has plenty of capacity for many players such as SIHL. Providing SIHL remains a neutral supply side player, i.e., producing refined Gold (and other metals) at quantities levels that do not prompt retaliatory or predatory action, then SIHL has potentially little or no competitive pressure. There are few global competitors with the ability and Know-How that the SIHL team currently possesses. SIHL must and will take, extensive and even elaborate measures and precautions, to prevent any of its trade secrets and Intellectual Property entering the public domain.

Bitcoin and or other collateralised crypto currencies which are also used in 'safe harbour' hedging strategies, are complimentary to SIHL – not competitive.

### 7.1 Strengths

- SIHL's key personnel have enormous strength in their knowledge of Metals , Metals souring, the Metals market place and in operational 'Know-How'.
- Ready-made market for Precious Metals (Gold) and established pricing formulations.
- Readily available raw material sources.
- Readily available access to refinery/assayer capacity.
- Business easily scalable.
- Small group of dedicated key personnel.

### 7.2 WEAKNESSES

- Limited financial resources.
- Key personnel succession plans not yet defined.

### 7.3 OPPORTUNITIES

- Substantial upside potential with metal revenue forecasts (Gold only simulated, herein). PGM's and Silver plus Rare Earth trading offers significant profitability opportunity.
- Substantial potential for SIHL to negotiate and lock-in, even more favourable long-term supply contracts with mines, especially in the African continent. This would offer increased levels of gross profits.
- Possible demand increase should the COVID-19 pandemic extend substantially into 2021, since gold is a refuge investment.
- Potential for SIHL to acquire its own refinery with WGC hallmark accreditation.

### 7.4 THREATS

- Industrial espionage or sabotage from/by existing market operators.
- Possible demand loss, should COVID-19 pandemic extend substantially into 2021.
- Any extraordinary rise in demand for Crypto-currencies (a possible alternative to Gold), as a tool for transactional Hedging or Safe harbour investment.

## 8. RISK FACTORS

The following are the principal risk factors associated with any investment into SIHL :

### 8.1 RETENTION OF KEY PERSONNEL

The critical nucleus of the SIHL team is in place and will have strong financial motivations to succeed. The risk of a loss of key personnel during year 1 to year 5 is exceedingly low.

## 8.2 Competition and New Technology

New technology, changing commercial circumstances and new entrants to the markets in which SIHL operates may impinge on the SIHL's business in the future, although in the opinion of the Directors, the unique and proprietary "Know-How" developed by SIHL and its partner entities and SIHL's well established, proven industry sector relationships, is likely to provide very significant protection.

## 8.3 Revenue

The financial projections simulated herein are considered conservative. The rate of revenue per ounce of metal is market set by the LME. SIHL modelling focusses only on Gold and yet, it is known that the SIHL model is equally capable of realising potentially significant other precious metal revenue streams such as Platinum and Palladium and other Noble metals, as well as Nickel and Copper, all of which are typically present in many Gold mining locations.

The downside revenue risk is very minimal. The upside potential is considerable.

## 8.4 Further Funding

The loan capital call described and applied herein, provides more than enough funds to fully equip, empower and permit SIHL to service the working capital and investment needs of the business, ensuring a rapid commencement of high quality, sustainable operations. The level of internally generated and retained capital thereafter, is potentially substantial, once the stable run rate of profitability is established. This will easily provide for growth, without any need for recourse to further external monetary sources.

## 8.5 SIHL Share Listing/Exit

SIHL's Ordinary Shares are neither listed nor afforded a trading facility and no application will be made to list or afford a trading facility for the Ordinary Shares, on any stock exchange. There can be no assurance that a trading market in the Ordinary Shares will ever develop and thus, existing private shareholders of SIHL may have no means to market their shares in the SIHL, other than as provided by the Articles of the Company or Shareholder Agreement. Accordingly, it is exceedingly likely that that the existing shareholders (who are key players) of SIHL, will retain their holdings for many years to come.

### 8.6 Other Risk Assessment

Directors assessment of Operational Risks are as follows:

**Figure 12 - SIHL Perceived Risk Tabulation**

| Area of Risk | Rating Level | Rating |
|---|---|---|
| Market Conditions | Gold is highly likely to be a strong performer through 2021 and beyond for the reasons espoused herein. In particular, Gold as an investment is in HIGH DEMAND and will be even more so, given the global impact of the Covid-19 pandemic causing a rapid rise in public debt, the reduction in the purchasing power of fiat money. Investors will begin to acquire Gold in increasing volumes, as a defensive hedge against future loss of monetary value. Underlying demand for Gold for industrial consumption, is exceedingly unlikely to level off for some years to come. | LOW |
| Competitive Reaction | Customer demand for metals is steady and inelastic. Established channel for sale of metals. SIHL output likely to be less than 1% of global supply. | LOW |
| Hazard and Operability Dangers | SIHL out sources its refining and assaying. Procedures for handling of dangerous chemicals used in the Metals industry is well documented and Health & Safety compliance by SIHL will always be of a very high standard. Supply chain is short and method of transportation of all materials is conventional, safe and secure.<br><br>Regulatory controls governing industry and methods of production and distribution of metals products is well known and SIHL will be compliant. | LOW |

| | | |
|---|---|---|
| Management and Manpower Risk | No succession plans yet in place for Key personnel, although Know-How is transferable. SIHL will be tightly managed at every functional level. High level of Board competence. Strong legal oversight. At both SIHL and by DAC and its Directors/Advisers | LOW |
| Financial Risk - Operational | Ongoing rate of SIHL profitability, post start up, is easily sustainable. Revenue, profits and cash flows forecast herein, are conservatively modelled. The SIHL proposed investments in mining stocks/reserves do carry a higher level of risk than conventional Buying/Selling and/or Trading of ore/Gold products. SIHL's choice of 'direct mining' investments however, will always favour 'smaller mine operators' with exceptional ROI potential. These operators tend to be more efficiently run and financially astute and cautious. They are not as susceptible to the down sides and 'financial gearing' problems that large operators have to endure/manage. | LOW - MEDIUM |
| Financial Risk - Brexit | The withdrawal of the United Kingdom from the European Union on Dec 31, 2020 could adversely affect future economic conditions and regulatory compliance within the EU and globally. Access to primary and secondary gold and other precious metal bullion exchanges in London is important to SIHL and this access may be affected in the future, impacting efficiencies of the bullion markets, in general. As SIHL has dependence on such exchange access for its business and financing activities, there is a degree of risk that SIHL's revenue volume and profitability may be affected. SIHL has conducted a suitable assessment of this risk and is satisfied that it has effective remedies. | LOW |

| | | |
|---|---|---|
| Financial Risk – Pandemic and National Disasters | The logistical activities of SIHL could be affected by outbreaks of infectious, pandemic diseases such as Covid-19. This may lead to borders closing, restrictions on movement of people, quarantines, cancellations of transportation and other services, disruptions to supply chains, businesses and customer activity, as well as general concern and uncertainty.<br><br>Some of the gold bullion, refinery, and mining companies in which SIHL, may invest or derive supplies may be located in parts of the world that have historically been prone to natural disasters, Any such event could adversely impact the economies of these geographic areas causing an adverse impact on the financial position of SIHL. | LOW |
| Financial Risk - Transactional | SIHL's principal business activity is the buying and immediate selling of precious, noble (and speculatively, rare earth metals). The transportation of raw ore and doré to SIHL's preferred refinery is arranged by the mining entity, at the mine's risk and is insured by same. SIHL has no transactional risk in this delivery process. SIHL takes title to product and pays the mining entity when the ore / doré is refined and assayed to GLD. At that point, SIHL's product is on-sold on the LBM or other precious metal exchanges and lifted. Overall transactional risk is virtually zero.<br><br>SIHL may from time to time, also engage in the storage of Bullion (gold, Silver or other precious metal) for its own account and for speculative gain. This bullion will always be held in secure , highly restricted, custodial deposit in which SIHL would be obligated to pay custodial, storage and insurance fees.<br><br>Nevertheless, there is a small risk that the Bullion purchased by SIHL could be lost, stolen or damaged by natural disaster or other unforeseen cause, which might affect the Borrower's financial position | LOW |

| | | |
|---|---|---|
| Financial Risk-<br>SIHL 'Secured Assets' and Loan Agreement | In support of its obligations under the Loan Agreement with DAC, SIHL will grant, amongst other things, a first fixed charge and first priority security interest over the Secured Assets in favour of DAC.<br><br>While the current valuation of the Secured Assets is significantly more than the maximum amount of the Loan sum to DAC, there can be no assurance that the value of the Secured Assets will not change.<br><br>In the event that DAC has to enforce its rights over the Secured Assets, there is always a degree of risk that the sale price of the Secured Assets achieved at that time may be less than the valuation of the Secured Assets. Support for SIHL's loan obligation to DAC under the Loan Agreement, are not however, limited to the Secured Assets. The Loan Agreement will also be supported by a floating charge over all the assets and undertaking of SIHL which will include highly liquid assets such as Doré, gold and other precious metals.<br><br>Accordingly, the risk of a default by SIHL in meeting its Loan principal obligation to DAC is exceedingly low | LOW |

# 9. Other Information

## 9.1 Significant Shareholders

The following parties have interest, directly or indirectly, in SIHL's Ordinary Share capital, in the amount of 20% or more of the issued ordinary shares:

**Figure 13 - SIHL Share Holder/Director's Interests**

| Name | Number of Issued Shares | % of Issued Share Capital |
|---|---|---|
| Perry Holzgraf Esculier | 50,000 | 50.00 |
| Garth Collier | 50,000 | 50.00 |

Ordinary Shares are held in the personal name, and for the personal and exclusive benefit, of the holder. Said shares are held free and unencumbered.

## 9.2 Other SIHL Director Interests and Potential Conflicts of Interest

The interests of the Directors in the share capital of other corporations are as follows :

**Figure 14 - SIHL Directors' Other Interests**

| SIHL Director | Other Active Directorships Held |
|---|---|
| Perry Holzgraf Esculier | SolarGold Zrt, Hungary |
| Garth Collier | Gansburg Capital Limited, Ireland |
| Janos Skare | SolarGold Zrt, Hungary |
| Patrick Nigel O'Sullivan | None |

None of the above listed 'Other Directorships' represent any potential for conflict of interest with that of the Director's fiduciary and operational duties owed to SIHL.

Further, there is no conflict of interest between the officers, administration and management of SIHL with that of DAC save to re-state that DAC is a wholly owned subsidiary of SIHL. The management and administration of DAC operates separately from that of SIHL. For any potential conflicts of interest arising in the course of business each of DAC and SIHL will, at all times, have regard in such event to its obligations pursuant to the Notes issued by DAC and the Loan to SIHL and will ensure that such conflicts are resolved fairly and that the directors of SIHL will at all times have regard to their duties to DAC. The Loans, and any other transactions made between DAC and SIHL will be negotiated at arms-length and effected on normal commercial terms.

### 9.3 Regulatory or Litigation Action

SIHL Directors are not aware of any governmental, legal or arbitration proceedings during any period since its incorporation which may have, or have had to date, any effect on SHIL's financial position or its forecast operational plans and profitability.

### 9.4 Corporate Governance and Corporate Social & Environmental Responsibility

The Board of SIHL shall comprise a maximum of 5 members.

A Shareholders Agreement will be in operation to:

(i) Regulate pre-emption rights, define share holder exit provisions and formulae, deal with the transfer of shares and the granting of any Security over issued shares.

(ii) Tag along and Drag along rights

(iii) Control and management of the company, including deadlock and dispute provisions.

(iv) Executive/Director compensation arrangements

(v) Best practice with respect to Ethical, Social, Environmental, Community and Governance compliance.

## 9.5 SIHL Environmental Policy

SIHL will strive to achieve excellence in all endeavours and recognises that business and 'ancient' mining activities interact with, and have an impact on, the environment.

SIHL is committed to:

- Maintaining a high level of expertise in environmental engineering and environmental mining in all areas
- Ensuring employees and staff respect the environmental issues associated with SIHL's core activities and manage them appropriately;
- Continually reviewing Internal targets and objectives and to reset same where necessary, to promote efficient use of resources;
- Ensuring that targets and equipment are modernised regularly and that appropriate and timely action is taken where necessary to reduce pollution.
- Recognising that the business of mining must prevent pollution in an environmentally responsible manner;
- Ensuring that all SIHL employees, suppliers, contractors, partners and customers, are aware of SIHL group policies in encouraging environmentally sustainable behaviour;
- Compliance with the statutory and regulatory environmental requirements pertaining to all SIHL business operations.

SIHL underline its plans to deliver on these commitments by continually improving its environmental management system, in accordance with Worldwide requirements and to make all our staff and customers aware of our current and future intentions.

## 10. Important Information and Cautions

This Information Statement was prepared by SIHL and is being furnished solely for use in connection with the Bond issue and placement by DAC. No representation or warranty, express or implied, is hereby given by SIHL or its Directors, employees or advisers, or any other person as to the precise accuracy or completeness of any information contained in this Information Statement and, so far as permitted by law and except in the case of fraud by the party concerned, no responsibility or liability is accepted for the accuracy or sufficiency thereof, or for any errors, omissions or misstatements, negligent or otherwise, relating thereto.

Neither SIHL, nor any of its Directors, employees or advisers, nor any other person, shall be liable for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any statement in or omission from this Information Statement and any such liability is expressly disclaimed.

### 10.1 Notice to Private Recipients

A loan to, or investment in, SIHL may not be suitable for all recipients of this document. Stakeholders are accordingly advised to consult their professional advisers to give investment advice before making decisions.

### 10.2 Factors Affecting Investment Decisions

This Information Statement does not purport to be all-inclusive or contain all the information that a prospective lender or investor may require. In making any investment or lending decision, prospective lenders or investors must rely on their own examination of SIHL and SIHL's business plans, including the merits and risks involved.

Prospective lenders and investors should not construe the contents of this Information Statement as legal, tax, investment or business advice. Prior to making an investment or lending decision, prospective investors or lenders should consult their own legal advisers, accountants and other advisers and carefully review and consider this entire memorandum.

Except as otherwise indicated, the information contained in this Information Statement is correct only as of its date, and neither the delivery of this Information Statement nor any investment or loan made implies that the information in this memorandum is correct as of any date after the date of this document. In furnishing this document, SIHL, so far as permitted by law, and except in the case of fraud by the party concerned, undertakes no obligation to provide any additional information or to update this Information Statement or to correct any inaccuracies which may become apparent.

SIHL has not authorised any party to give any information or to make any statement other than that contained in this memorandum.

SIHL undertakes to make available to any investor or lender, the opportunity to ask questions of and receive answers from, SIHL concerning the content of this Information Statement.

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