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A **SPECIAL SITUATIONS** REPORT

# The Fourth Major Gold Royalty Company Is Being Built Right Now.

*Franco-Nevada. Wheaton Precious Metals. Royal Gold. For decades, three names have owned the gold royalty sector. There has never been a credible fourth.*

versamet ROYALTIES

**VERSAMET ROYALTIES CORP.**

TSX: **VMET** | NASDAQ: **VMET**

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Information in this content regarding Versamet Royalties Corp. has been derived from its SEDAR+ and SEC filings.

# Versamet Royalties Corp.

| Toronto Stock Exchange | Nasdaq Stock Market |
|---|---|
| **TSX: VMET** | **NASDAQ: VMET** |

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In the November KRO, I mentioned that Tether was building a gold royalty pipeline.

In December, we showed you a company that sits at the center of that consolidation map.

**Now look at who else is on the board: Tether holds ~13% of Versamet**. The Lundin family is in, B2Gold and Equinox are in. The same strategic capital that's circling GROY already owns this company.

For full disclosure, I was the largest individual cheque writer in 2022 when Versamet was created as a spin-out of assets from Sandstorm and Equinox.

It's taken almost four years to get here.

Versamet now has the asset base, the cash flow ramp, and the institutional backing to re-rate once it lists on the NASDAQ—and the shareholder register makes this a potential takeout candidate in a major transaction.

**The History:**

In 2016, Dan O'Flaherty built Maverix Metals from nothing, no assets, no royalties, no cash flow, deal by deal, in one of the worst gold markets in years. Seven years later, Triple Flag paid $750 million for it.

Most founders cash out and disappear. O'Flaherty called his team back. Same VP of Project Evaluation. Same VP of Capital Markets. Same VP of Finance.

**All returned to build the next platform.**

Versamet is a rapidly growing mid-tier precious metals royalty and streaming company.

The gold industry already noticed. More than 70% of Versamet's shares are locked up with miners, developers, and financiers who deploy capital in this sector for a living.

B2Gold, Equinox Gold, and the Lundin family don't take double-digit positions on a hunch. Tether, one of the most cash-rich companies on the planet holds ~13%. Already in, before this story reaches a single retail investor.

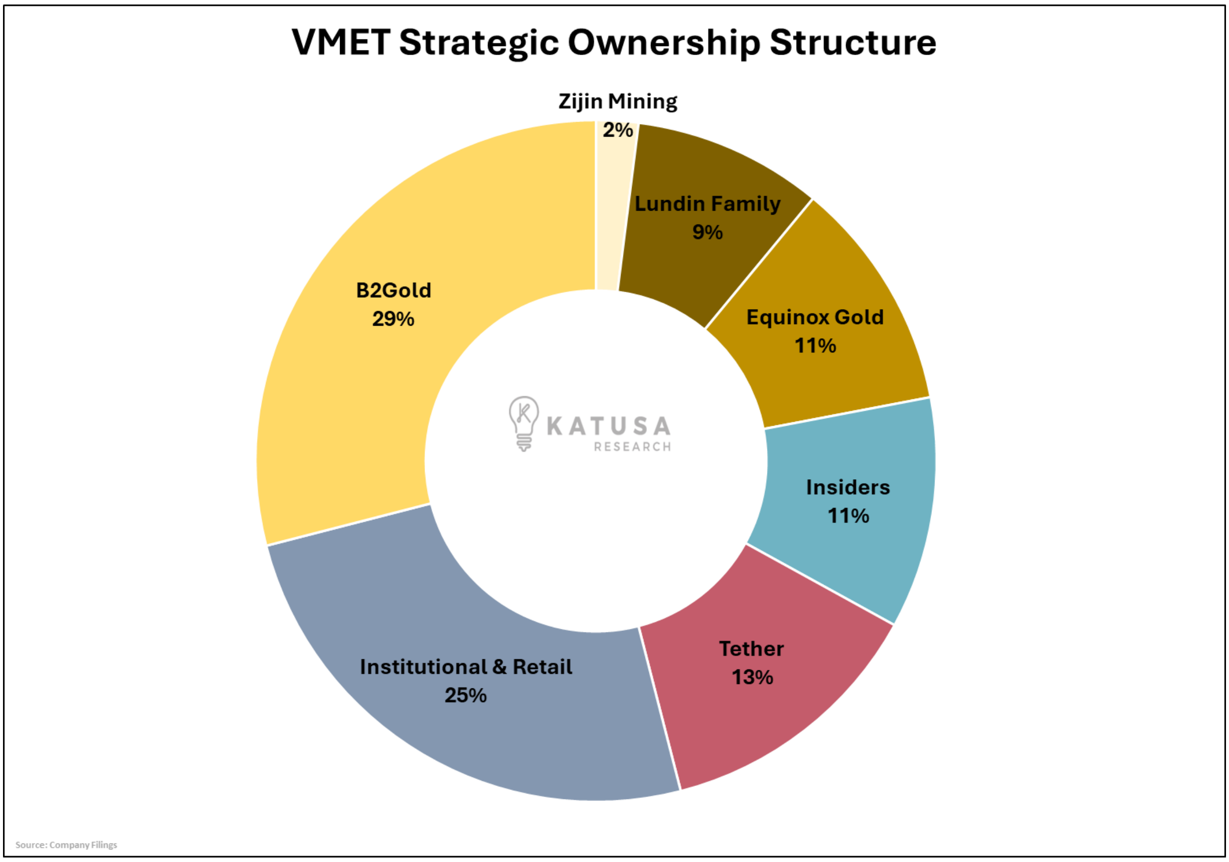
Here's what they're all betting on:

- Tier-1 Canadian anchor asset
- 4x GEO growth projected over the past three years
- A management team who has done this before

The insiders are in, the strategic capital is locked up and the story hasn't hit the mainstream yet. That's exactly where we want to be.

**Strategic Capital Locked In First**

That conviction shows up in the ownership structure and the chart below breaks down who owns Versamet today.




Insiders and major gold miners control 62%. Tether holds another ~13%. That leaves just ~25% for institutions and retail.

75% of the shares sit with strategic holders who aren't selling. Float tightens. Supply shrinks. When demand picks up, price moves fast.

But the float isn't even the most important part.

B2Gold, Equinox Gold, and the Lundin family don't take double-digit positions on a hunch. Company insiders own 11% on top of that — the same team that built Maverix and sold it for $750 million put their own money back in. Tether didn't wait for momentum. It positioned ahead of it.

Versamet is a tightly held platform backed by the people who actually run the gold industry.

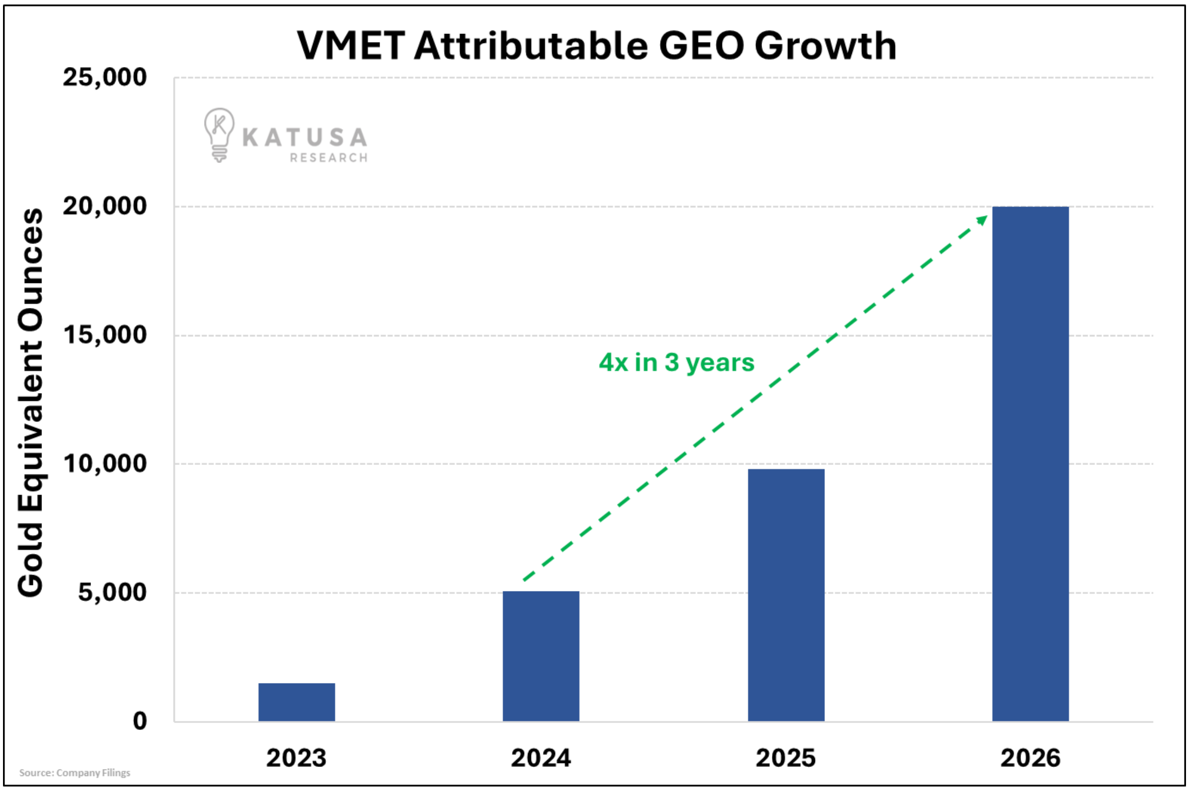
**The Curve Turns Up Now**

Now you know who's in. Here's what they're betting on.

The chart below tracks Versamet's attributable gold equivalent ounces — GEOs — from 2023 through 2026.

GEOs measure the total gold production flowing back to Versamet through its royalties and streams. More GEOs means more cash. Cash funds new deals. New deals expand the GEO base.

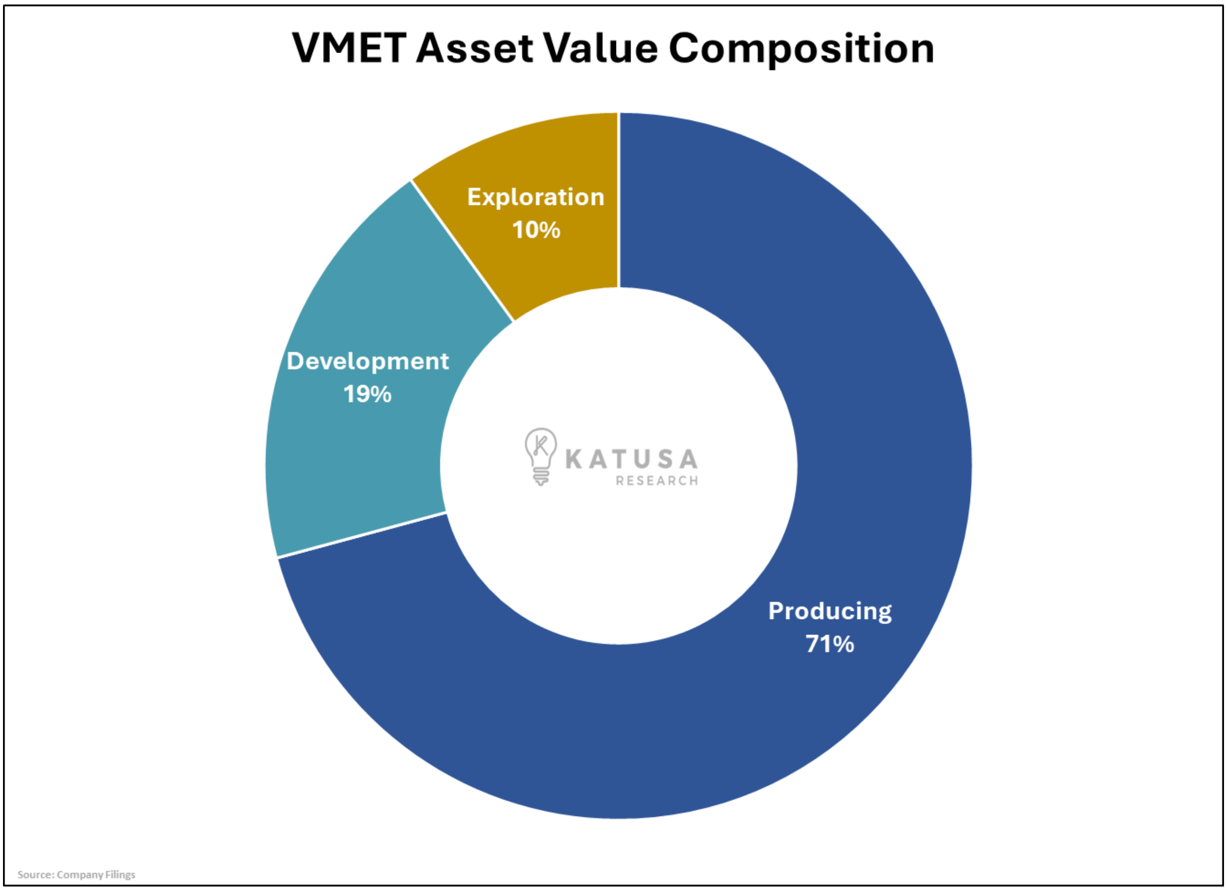
That's the royalty compounding machine.




By end of 2024, GEOs hit around 5,100. By end of 2025, nearly 9,815. By end of 2026, the company projects roughly 20,000 – 23,000. That's 4x growth in three years.

Versamet is entering the steep part of the curve right now. The insiders, the operators, the strategic capital — this is exactly what they saw coming.

The chart below shows how Versamet's asset value breaks down by stage.




71% of total value comes from royalties and streams already producing. Development assets make up another 19%. The rest is exploration.

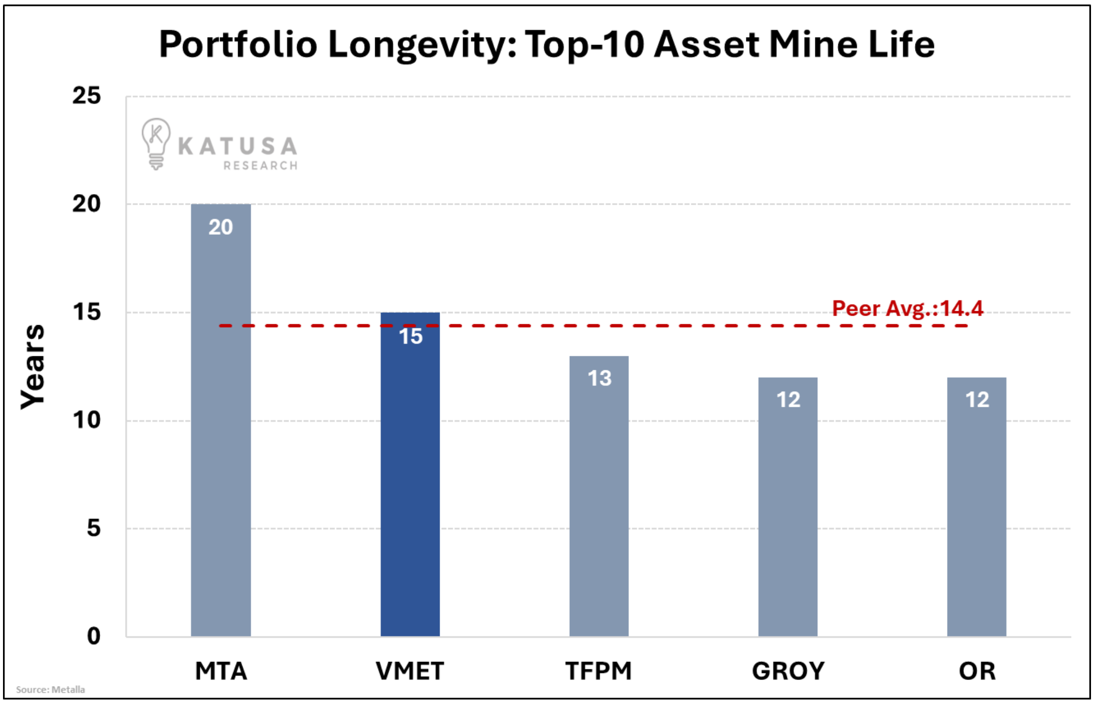
Most of Versamet's value ties to mines already running and generating cash. Development assets are moving toward production — more cash coming down the line. Exploration sits at 10% of current value, so NAV isn't being propped up by speculation.

Versamet has 28 assets in total, 17 at exploration stage. They don't move the needle today. They're the back half of the story if operators push them forward.

Producing assets carry the business. Development extends the runway. Exploration is optional upside sitting in the background.

Growth is one part of the pitch. The other is how long it holds.

The chart below compares average mine life across the top ten assets in the peer group.



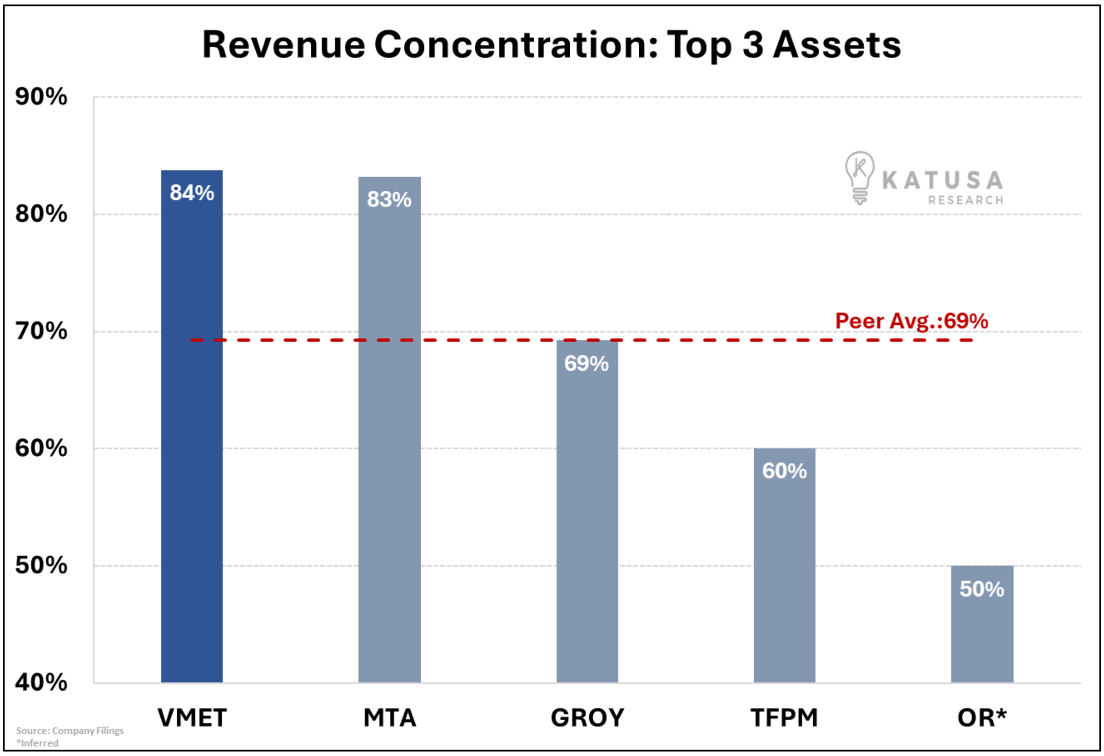

Versamet's 15-year average mine life sits above the peer average of 14.4 years, second only to MTA's 20 years. That gives Versamet long cash flow visibility, supports a stable NAV, and strengthens confidence in future earnings.

Versamet combines rapid growth with real staying power.

**The Anchor Holds**

Every early-stage royalty company carries concentration risk. Versamet is no different.

The chart below shows revenue concentration across the top three assets for each peer.




Versamet comes in at 84%, the highest in the group, just ahead of MTA at 83% while the peer average is 69%

That concentration comes down to three assets.

- **Greenstone** accounts for roughly 61% of Versamet's revenue. It's a large, long-life open-pit gold mine in Ontario, a Tier-1 Canadian jurisdiction. As per the latest technical report it was 15 years of mine life with roughly 330,000 ounces per year. Modern, scalable, operated by experienced teams. For a junior royalty company, that's a strong anchor.

- **Kolpa** contributes about 12%. Underground polymetallic operation in Peru with more than two decades of operating history and an ongoing expansion from ~2,000 to 2,500 tonnes per day.

- **Kiaka** contributes roughly 11%. Large, long-life open-pit gold project in West Africa with competitive costs and a front-loaded royalty structure that boosts early-year revenue. Its a high-risk jurisdiction, but the project's scale and economics hold up.

So yes, Versamet is concentrated. But its biggest exposure is a Tier-1 Canadian asset with long duration and real scale.

That's a different risk profile than being concentrated in a single small or unstable operation.

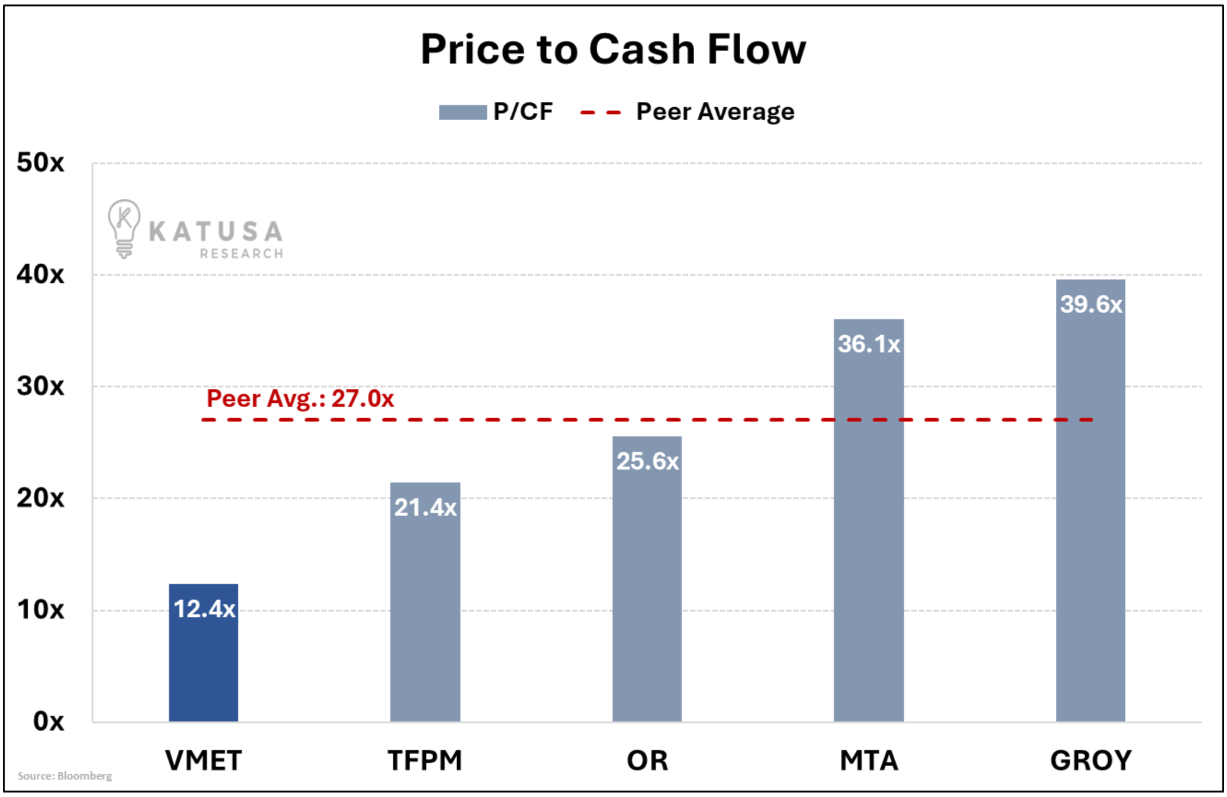
As development assets move into production, concentration should come down. At present, the cash flow rests on a flagship asset built to run for years.

**The Valuation Disconnect**

Now look at what the market is paying for that cash flow.

Price to Cash Flow (P/CF) is how much investors pay for each dollar of cash a company generates. Higher multiple means the market prices the cash flow. Lower multiple means price does not reflect the cash flow potential of the company.

The chart below shows where Versamet stands against its peers.




Versamet has the lowest P/CF multiple of 12.4x and the peer average is 27x. That's less than half the peer average. A company with 4x GEO growth projected over three years, a 15-year mine life, a Tier-1 Canadian anchor asset, and 75% of shares held by people who run this industry, trading at less than half what peers command on a cash flow basis.

The market hasn't priced in what that cash flow becomes as the GEO ramp plays out.

That gap between 12.4x and 27x is where the opportunity sits.

The market is valuing Versamet on roughly 9,800 GEOs of trailing production. At 20,000 GEOs, the cash flow base changes materially.

Holding market capitalization constant at $737 million and assuming a 73% free cash flow margin, forward yield expands meaningfully even under lower gold scenarios.

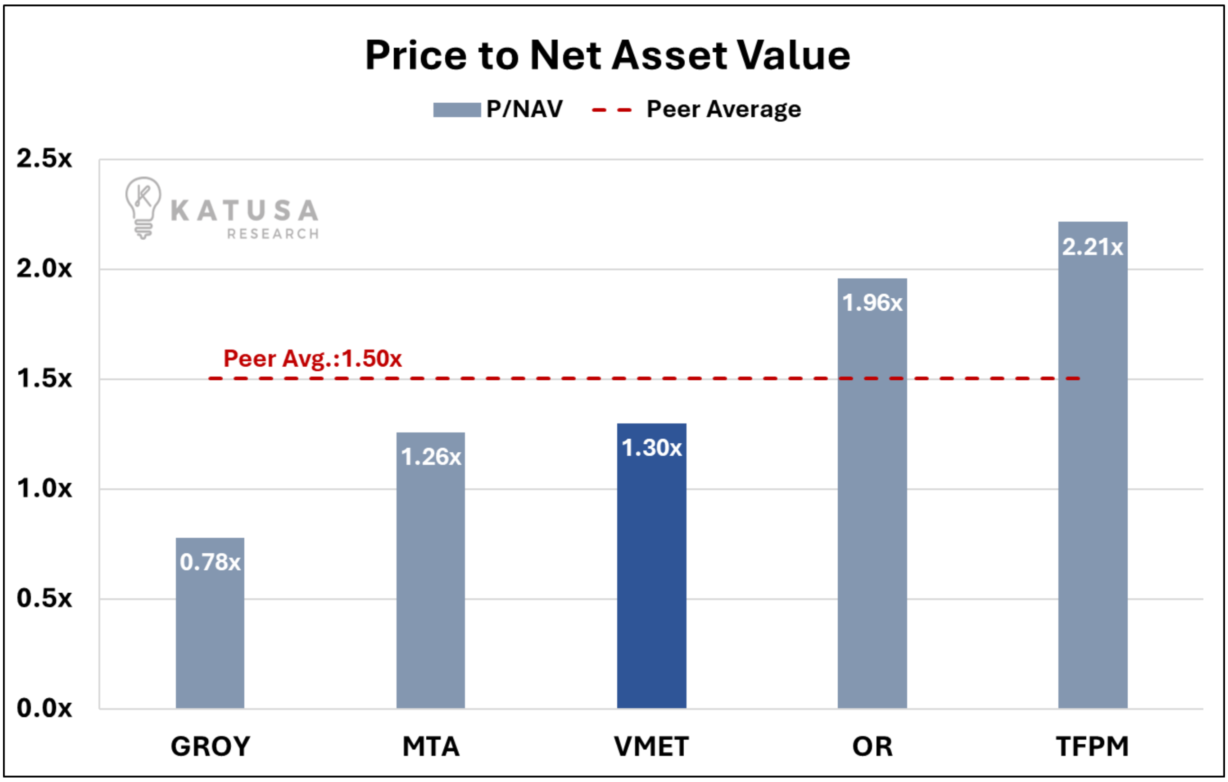
| **2026 Forward Yield at 20,000 GEOs (73% FCF Margin, $737M market cap)** | | |
|---|---|---|
| **Gold Prices** | **Estimated FCF ($M)** | **Implied FCF Yield** |
| $3,000.00 | $43.70 | 5.92% |
| $3,500.00 | $50.99 | 6.91% |
| $4,000.00 | $58.27 | 7.90% |

Even at $3,000 gold, forward free cash flow yield approaches 6%, nearly five times the current 1.21% trailing yield. Production scale alone drives yield normalization.

But P/CF only tells half the story.

P/NAV measures what investors pay for every dollar of asset value a company holds. Does the market respect what Versamet owns?

The answer is yes.




Versamet's P/NAV is above its peer average at 1.3x. It trades well above GROY and MTA that have a P/NAV multiple of 0.78x and 1.26x respectively.

The market is paying a premium for Versamet's assets. It trusts the portfolio.

Now go back to the P/CF chart. The same market paying a premium for the assets is pricing the cash flow at less than half the peer average.

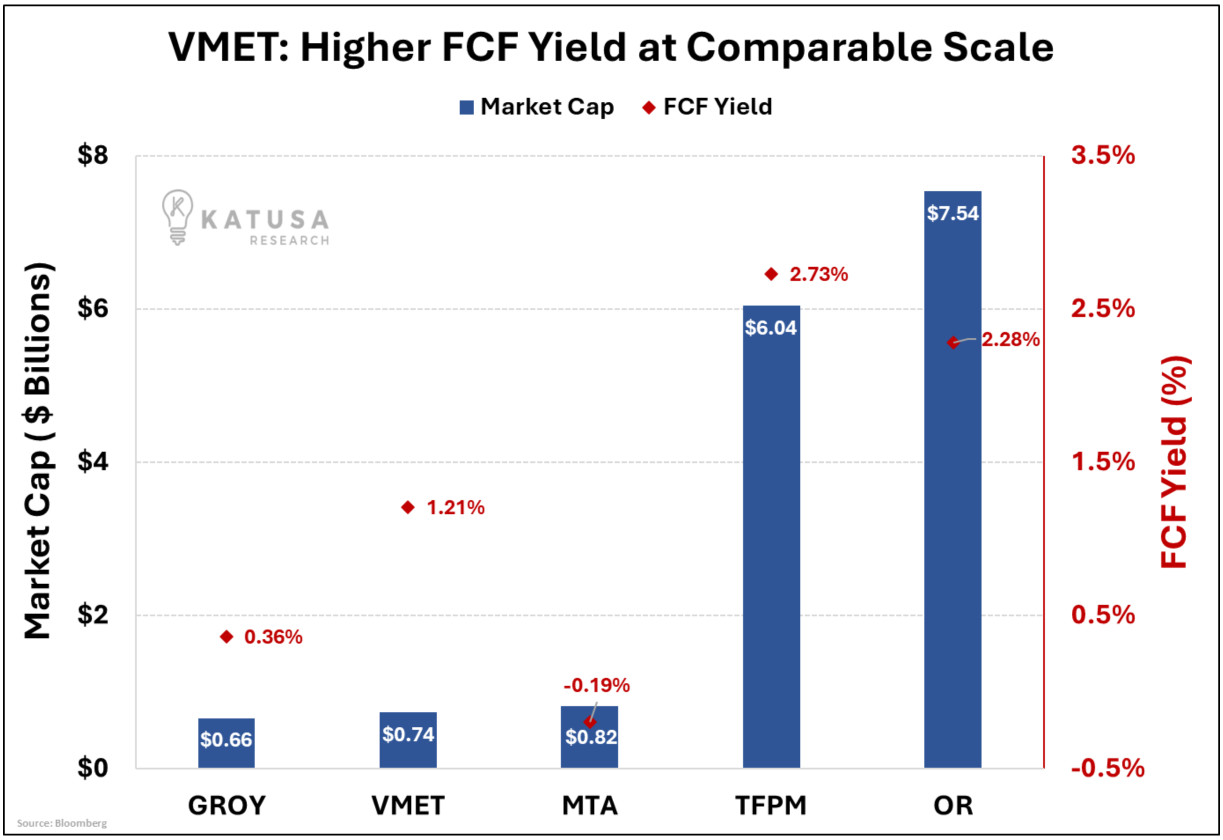
That's the disconnect.

As GEOs scale toward 20,000 in 2026 and cash flow grows, the gap between 12.4x and 27x has to close. The assets are already priced right. The earnings growth behind them hasn't been priced in yet.

That's the opportunity.

Valuation ratios tell you what the market thinks today. Free cash flow yield tells you what the business actually delivers and how much of that return you're getting for the price you pay.

The chart below plots market cap against FCF yield across the peer group.




Versamet's market cap is $737 million as of this writing, just $80 million above GROY at $660 million, and $83 million below MTA at $820 million. You have three companies, roughly the same size, but very different FCF yields.

- **GROY** yields 0.36%.
- **MTA** is at negative 0.19%, burning cash.
- **Versamet** yields 1.21%.

That's 3.31x more FCF yield than GROY, and it laps a loss-making MTA outright.

Now look at the other end...

OR trades at $7.54 billion and yields 2.28%. TFPM is at $6.04 billion, yielding 2.73%. Those are the large-cap leaders of this peer group, worth 8 to 10 times what Versamet is worth today.

Versamet's 1.21% yield is already in the same conversation as theirs.

A $737 million company delivering a yield that's closing in on firms worth $6 to $7.5 billion. As the GEO ramp plays out and cash flow grows, that yield gap narrows and the market cap gap is exactly where the upside lives.

**2026 Catalysts**

Versamet still trades like a small royalty platform. That gap is the whole thesis.

GEOs were 5,100 in 2024. Nearly 10,000 in 2025. If 2026 guidance gets delivered, the company crosses 20,000.

Markets don't treat 20,000 GEO companies the way they treat 5,000 GEO companies. Liquidity improves, institutional screens start picking it up, coverage follows.

And production is only part of what's happening this year.

**Rosh Pinah's RP2.0 expansion completes Q3:** Throughput up, silver stream volumes up with it, revenue mix less dependent on a single asset.

**Kiaka hits nameplate in Q1:** That's where it stops being a development story. As output stabilizes, concentration risk fades on its own. More assets, more load-sharing.

**Toega pre-strip kicks off this year:** Santa Rita Underground moves toward FID and financing. Neither is a splashy event but each one closes the gap between the pipeline and the income statement. The development story starts having dates attached to it.

**Greenstone ramps to full capacity**. Consistent quarterly output from the anchor asset does something quieter than the other catalysts — it builds credibility. And credibility is what gets multiples revised upward. Execution matters more than narrative at a certain point.

**U.S. listing started on March 6, 2026**

With a U.S. listing, funds that can't touch TSXV names get access and visibility improves.

The C$142M equity raise already broadened the institutional base, add research coverage and potential index inclusion later in the year, and you have structural demand building alongside operational growth.

Acquisitions are still on the table because the balance sheet has room and management has backing. New royalties layered onto a growing cash base, that's the compounding mechanism the model runs on.

Royalty companies re-rate when scale, diversification, and capital access show up together. One at a time, they move the story. But all three at once can shift perception.

That's what 2026 sets up.

**Recommendation**: Buy