EDISON

Alphamin Resources

Tin showing its mettle

For the second quarter in succession, Alphamin reported record revenue, operating profit, EBITDA, PBT and net profit. AISC was US$1,074/t higher than in Q1 (mainly on account of fuel prices and higher off-mine costs, such as royalties etc); however, the tin price was US$2,679/t higher, resulting in a 0.4pp widening of the gross margin to 68.7% (AFM's third highest on record). Its underlying cash build during the quarter was US$111.7m (before dividends and associated withholding taxes). Having increased our FY26 EPS forecast by 78.5% after the Q1 results, we have now increased it by a further 7.5% in the aftermath of Q2 results. Note that, if the tin price remains at current levels next year, our FY27 EPS forecast increases from US$0.10/share to US$0.227/share.

Year end	Revenue ($m)	PBT ($m)	EPS ($)	DPS (C$)	P/E (x)	Yield (%)
12/24	528.0	203.0	0.08	0.09	13.0	6.3
12/25	620.9	280.6	0.12	0.11	8.9	7.6
12/26e	1,010.6	581.4	0.21	0.26	4.8	18.1
12/27e	597.0	248.4	0.10	0.15	10.3	10.4

Note: PBT and EPS are as reported. Small discrepancies may exist with Exhibit 9 owing to short-term fluctuations in forex rates.

Tin price solid and interim dividend beckons

Alphamin's board is scheduled to consider its FY26 interim dividend in Q426. However, if the tin price remains high, we believe that a repeat of the C$0.13/share FY25 final dividend is feasible. The tin price has risen by over 50% in the past 12 months, to over US$50,000/t today, driven by high demand for electronics and electric vehicles and constrained supply (especially at the Man Maw mine in Myanmar). While difficult to forecast with any certainty, there appears to be a growing consensus that this may prove to be more than a transient state of affairs.

Valuation: History implies C$4.44/share possible

Our discounted dividend valuation of Alphamin is US$1.03/share, or C$1.46/share (cf C$1.41/share previously), which is within a cent of our DCF valuation of C$1.47/share. They are both slightly in excess of our cash flow and terminal multiple valuation of C$1.43/share; however, this reflects the inclusion of exploration capex in the latter. If this exploration investment is able to extend Alphamin's life of mine by five years, it adds C$0.20/share to our valuation, to C$1.63/share. If it is able to extend it by 10 years, it adds C$0.33/share. If it is able to extend its life indefinitely, it adds C$0.53/share (on an ex-growth basis beyond FY29). However, these valuations are conducted at a long-term tin price of US$31,651/t. At the current tin price (US$53,583/t), our valuation rises to C$2.48/share (see Exhibit 13). In relative terms, Alphamin is priced at multiples that are cheaper than its peers on 33 out of 41 (or 80%) of valuation measures. However, at the current price of tin, it is cheaper on 100% of valuation measures. Reverse engineered, even at Edison's long-term tin price, we calculate that the Alphamin share price implied by the average multiples of its peers over the next three years is C$3.45. Finally, it is also cheap relative to history. Since achieving profitability in FY21 it has traded on an average contemporary current year P/E multiple of 11.2x and a yield of 6.7%. Trading on those same multiples over the next three years would, according to our estimates, require share prices as high as C$3.87 in FY26 and C$4.44 in FY28.

Q226 results

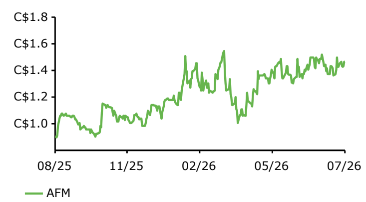
Metals and mining

4 August 2026

Price	**C$1.44**
Market cap	**C$1,854m**

	C$1.4094/US$
Net cash/(debt) as at end Q226 (excluding US$2.1m in lease liabilities)	$92.8m
Shares in issue	1,287.8m
Free float	39.0%
Code	AFM
Primary exchange	TSXV
Secondary exchange	JSE

Share price performance



%	1m	3m	12m
Abs	(3.4)	15.5	83.4
52-week high/low		C$1.6	C$0.7

Business description

Alphamin owns (84.14% effective) and operates the Bisie tin mine at Mpama North and South in the North Kivu province of the Democratic Republic of the Congo with a grade of c 3% tin (the world's highest). Accounting for c 7% of global mined supply, it is the second largest tin mine in the world outside China and Indonesia.

Next events

Q326 financial results	November 2026

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Edison profile page

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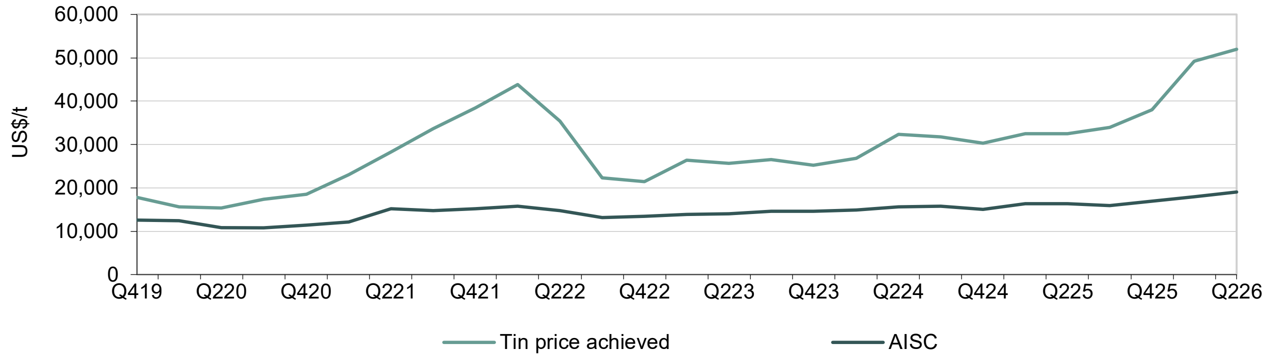
Q226 results and FY26 forecasts

Alphamin's Q226 financial results were released on 31 July, within the context of operational results that had already been pre-released on 13 July, and they were nothing if not striking, with revenue, operating profit, EBITDA, PBT and net profit all posting records for the second quarter in succession, and attributable profit and EPS falling fractionally short of posting new records on account of a slightly higher than normal minority interest in percentage terms (owing to losses at the parent entity level in which the ABM minorities did not share – major items in Q2 relating to dividend withholding taxes and foreign exchange losses). All-in sustaining costs (AISC) remained at higher levels, but no more so than expected, given the high tin price, which flows through into selling costs and royalties. Nevertheless, while the AISC was US$1,074/t higher than in the previous quarter, the tin price was US$2,679/t higher, resulting in a 0.4pp widening of the gross margin to 68.7% (the third highest on record after Q122 and, slightly anomalously, Q419 when the mine was undergoing its initial ramp up into production).

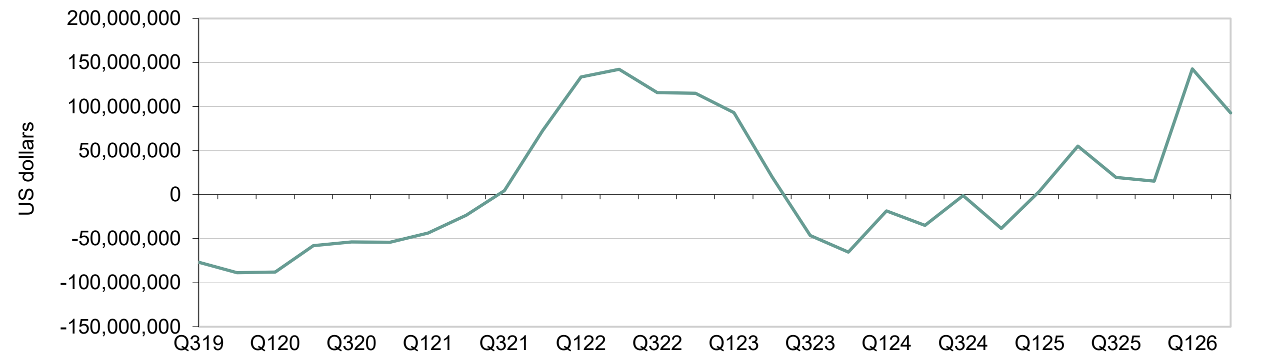
Exhibit 1: Alphamin tin price achieved (US$/t) and all-in sustaining cost (US$/t), Q419–Q226



Source: Alphamin Resources, Edison Investment Research

Although Alphamin's net cash position declined by US$50.0m to US$92.8m (excluding lease liabilities) in the quarter, this only reflected the distribution of US$161.7m in dividends and associated withholding taxes. Excluding these items, we estimate that Alphamin's net cash position would otherwise have increased to US$254.5m at end-Q2, reflecting underlying cash accumulation of US$111.7m in the three-month period.

Exhibit 2: Alphamin net cash/debt, Q319–Q226 (US$)



Source: Edison Investment Research, Alphamin Resources. Note: Excludes lease liabilities.

The board is scheduled to consider the interim FY26 dividend in Q4. This followed its decision at end-Q1 to make a final FY25 cash distribution of C$0.13/share (c US$121m in aggregate) relating to FY25. Given this surplus (and since capex for the Mpama South mine was only budgeted at US$127.6m), we would be surprised if the board were not to recommend a similarly generous dividend in Q4 as the interim FY26 distribution, as long as the tin price remains at its current, relatively elevated level.

Financially, revenue exceeded our prior forecast by US$16.5m (6.9%), while costs (including G&A and depreciation) were only US$1.8m (1.8%) higher, leading to a US$14.6m (10.9%) positive variance at the operating level. Another feature of the results was a US$2.6m foreign exchange loss (treated by Edison as an exceptional item). This followed a similar US$11.7m foreign exchange loss in Q1 owing to the translation to spot rate on 31 March for advances for corporate tax liabilities following the enactment of a decree by the DRC Ministry of Finance requiring corporate income tax liabilities to be fixed and settled in US dollars. This was the third-highest foreign exchange loss in at least 30 quarters (7½ years) and, in its absence, attributable profit and EPS would also have posted records for the quarter as well as revenue, operating profit, EBITDA, PBT and net profit. After the foreign exchange loss (which we typically decline to attempt to forecast), profits before tax were US$11.7m (or 8.7%) higher than our prior forecast, partially offset by total tax, which was 7.8%, or US$5.7m, higher (although the effective tax rate was almost exactly in line at 46.0% cf 45.5% forecast), such that net profits were US$5.7m (or 7.8%) higher. Attributable earnings and headline earnings were 3.2% higher than our prior forecasts after a 3.6 percentage point increase in the minority interest.

Exhibit 3, below, provides a comparison of Q226 results relative to our prior forecasts as well as our updated forecasts for the remainder of FY26, by quarter, in the light of Alphamin's Q226 financial results:

Exhibit 3: Edison forecast of Alphamin income statement, FY26, by quarter (US$*)

	Q126	Q226e (prior)	Q226	Q326e (prior)	Q326e	Q426e (prior)	Q426e	FY26e	FY26e (prior)	Change (%)	Change (units)
Tons processed (t)	201,519	207,121	211,034	207,121	207,121	207,121	207,121	826,794	822,881	0.5	3,913
Tin grade (%)	3.4	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	0.3	0.0
Contained tin (t)	6,852	6,745	6,964	6,745	6,745	6,745	6,745	27,306	27,087	0.8	219
Overall plant recovery (%)	74.0	74.0	72.8	74.0	74.0	74.0	74.0	73.3	73.8	(0.7)	(0.5)
Actual payable tin produced (t)	5,026	4,991	5,013	4,991	4,991	4,991	4,991	20,022	20,000	0.1	22
Payable tin sold (t)	5,016	4,991	5,014	4,991	4,991	4,991	4,991	20,013	19,990	0.1	23
Tin price achieved (US$/t)	49,278	48,532	51,957	48,460	53,107	48,460	53,262	51,244	47,801	7.2	3,443
Revenue	240,070,958	236,353,623	252,707,639	236,003,596	258,542,697	236,003,596	259,296,237	1,010,617,531	948,431,772	6.6	62,185,759
Cost of goods sold	(76,004,080)	(78,743,338)	(79,092,435)	(79,104,339)	(78,903,639)	(79,143,801)	(78,376,972)	(312,377,126)	(312,995,558)	(0.2)	618,432
Depreciation	14,545,074	14,742,978	14,778,195	14,940,882	14,976,099	15,138,785	15,174,003	59,473,370	59,367,719	0.2	105,652
Gross profit	149,521,804	142,867,307	158,837,009	141,958,375	164,662,959	141,721,009	165,745,263	638,767,035	576,068,495	10.9	62,698,540
General and administrative	(9,008,915)	(9,008,915)	(10,428,161)	(9,008,915)	(10,428,161)	(9,008,915)	(10,428,161)	(40,293,398)	(36,035,660)	11.8	(4,257,738)
Operating profit/(loss)	140,512,889	133,858,392	148,408,848	132,949,460	154,234,798	132,712,094	155,317,102	598,473,637	540,032,835	10.8	58,440,802
Other											
Warrants	0	0	0	0	0	0	0	0	0	N/A	0
Profit on foreign exchange	(11,658,993)	0	(2,577,214)	0	0	0	0	(14,236,207)	(11,658,993)	22.1	(2,577,214)
Loss on write-off of assets	0	0	0	0	0	0	0	0	0	N/A	0
Interest expense											
Interest income											
Net interest	(640,125)	(147,286)	(450,624)	(611,227)	(995,326)	(1,106,276)	(800,503)	(2,886,578)	(2,504,914)	15.2	(381,664)
Profit before taxes	128,213,771	133,711,106	145,381,010	132,338,233	153,239,472	131,605,818	154,516,599	581,350,852	525,868,929	10.6	55,481,924
Current income tax expense	(56,825,229)	(42,787,554)	(66,199,716)	(42,348,235)	(49,036,631)	(42,113,862)	(49,445,312)	(221,506,888)	(184,074,879)	20.3	(37,432,008)
Deferred tax movement	5,395,480	(18,058,179)	(632,079)	(18,227,632)	(22,157,832)	(6,007,676)	(10,535,721)	(27,930,152)	(36,898,007)	(24.3)	8,967,856
Total tax	(51,429,749)	(60,845,733)	(66,831,795)	(60,575,867)	(71,194,463)	(48,121,538)	(59,981,033)	(249,437,040)	(220,972,887)	12.9	(28,464,153)
Effective tax rate (%)	40.1	45.5	46.0	45.8	46.5	36.6	38.8	42.9	42.0	2.1	0.9
Net profit/(loss)	76,784,022	72,865,373	78,549,215	71,762,366	82,045,009	83,484,281	94,535,567	331,913,812	304,896,042	8.9	27,017,771
Attributable to:											
Shareholders	64,420,839	61,308,925	63,276,173	60,380,855	69,032,671	70,243,674	79,542,226	276,271,908	256,354,292	7.8	19,917,616
Non-controlling interests	12,363,183	11,556,448	15,273,042	11,381,511	13,012,338	13,240,607	14,993,341	55,641,904	48,541,749	14.6	7,100,155
Minority (%)	16.10	15.86	19.44	15.86	15.86	15.86	15.86	16.76	15.92	5.3	0.84
Total	76,784,022	72,865,373	78,549,215	71,762,366	82,045,009	83,484,281	94,535,567	331,913,812	304,896,042	8.9	27,017,771
Average number of shares in issue	1,279,856,123	1,282,642,479	1,285,208,479	1,282,642,479	1,287,774,479	1,282,642,479	1,287,774,479	1,285,153,390	1,281,945,890	0.3	3,207,500
Derivatives	5,539,692	10,568,000	433,293	10,568,000	4,836,000	10,568,000	4,836,000	3,911,246	9,310,923	(58.0)	(5,399,677)
Fully diluted shares in issue	1,285,395,815	1,293,210,479	1,285,641,772	1,293,210,479	1,292,610,479	1,293,210,479	1,292,610,479	1,289,064,636	1,291,256,813	(0.2)	(2,192,177)
Headline earnings	64,420,839	61,308,925	63,276,173	60,380,855	69,032,671	70,243,674	79,542,226	276,271,908	256,354,292	7.8	19,917,616
EPS (US$/share)	0.0503	0.0478	0.0492	0.0471	0.0536	0.0548	0.0618	0.2150	0.2000	7.5	0.0150
Diluted EPS (US$/share)	0.0501	0.0474	0.0492	0.0467	0.0534	0.0543	0.0615	0.2143	0.1985	8.0	0.0158
HEPS** (US$/share)	0.0503	0.0478	0.0492	0.0471	0.0536	0.0548	0.0618	0.2150	0.2000	7.5	0.0150
Diluted HEPS (US$/share)	0.0501	0.0474	0.0492	0.0467	0.0534	0.0543	0.0615	0.2143	0.1985	8.0	0.0158

Source: Edison Investment Research, Alphamin Resources.
Note: Company presented basis. *Unless otherwise indicated. **HEPS, headline earnings per share – a South African reporting requirement based entirely on operational, trading and capital investment activities and excluding profits or losses from the sale or termination of discontinued operations, fixed assets or related businesses or from any permanent devaluation or write-off of their values.

As noted in our last report on Alphamin (see Tin closing in on US$55,000/t, published on 8 May), a super profit tax may apply to the company's FY26 taxable profit (payable in April 2027) if the average tin price achieved during 2026 exceeds 125% of the tin price assumed in the most recently approved feasibility study. The most recently approved feasibility study included a forecast tin price for 2026 of US$30,333/t and, on this basis, the super profit tax would become applicable if the average tin price achieved during 2026 exceeds US$37,916/t. Given that the tin price has averaged US$50,693/t in the year to date, it would have to average less than US$20,605/t for the remainder of the year for this to be the case (ie it seems likely that the tin price threshold for paying super profits tax will be met). The super profit tax is determined with reference to Alphamin Bisie Mining's Excédent Brut d'Exploitation (EBE), an OHADA (ie Central and West African) accounting measure broadly comparable to EBITDA. Under the legislation, where EBE exceeds 125% of the level contemplated in the feasibility study, an additional 20% tax may apply to the incremental portion, increasing the effective tax rate on that portion from 30% to 50%. Based on the most recently approved feasibility study, which according to management forecasts a 2026 EBE of c US$377m from 20,225 tonnes of production, this would illustratively imply a potential threshold of c US$471m in EBE before the additional tax would apply. No super profit tax was liable for FY25. However, with the H126 achieved average tin price having been above the applicable threshold, Alphamin has prudently started accruing for possible super profit tax. To this end, it recognised a US$7.5m super profit tax accrual in its accounts in Q1 plus a further US$9.5m in Q2 to take the total for the year to date to US $17.0m. Nevertheless, the application of the super profit tax provisions remains subject to interpretation by the relevant authorities, and the thresholds and resulting tax exposure may therefore differ from the illustrative figures presented above and from the company's current understanding of the legislation.

Dividends

Alphamin's board declared a final cash dividend of C$0.13/share for FY25 at the time of its Q126 results. This followed two interim dividends of C$0.07/share and C$0.04/share already paid in FY25. The table below shows Alphamin's entire dividend history for the periods for which dividends were declared. This compares with our financial summary (Exhibit 14 below) and our front-page table, which show dividends for the periods in which they were paid.

Exhibit 4: Alphamin dividend history, by quarter (C$/share)

Quarter	Q421	Q122	Q222	Q322	Q422	Q123	Q223	Q323	Q423	Q124	Q224	Q324	Q424	Q125	Q225	Q325	Q425
Dividend (C$/share)	0.03		0.03		0.03		0.03		0.03		0.06				0.07	0.04	0.13

Source: Alphamin Resources, Edison Investment Research

In the 4½ years since it started making distributions therefore, Alphamin has returned C$0.45/share to shareholders in the form of dividends, which compares favourably to its current share price of C$1.44.

By historical standards, the C$0.13/share FY25 final dividend is clearly generous. However, we believe that it is sustainable at these higher tin prices, and, having set the precedent, we believe that the board will wish to maintain at least this level of dividend for the interim FY26 payout, all other things being equal. However, we think that the distribution might come under pressure if the tin price falls to Edison's long-term price of US$31,651/t. This would be especially true if the prior year is one in which super profits were accrued, which would also give rise to a large corporate tax outflow in April of the year in question.

We do not know the board's intentions regarding future dividends. However, we assume that it will be prudent in its payouts to shareholders. For the purposes of our valuation (below), we have initially assumed that the tin price remains high in FY26, but then falls back to long-term levels in FY27, in which the company's super profit liability accrued in FY26 will also become payable. This would restrain the dividend potentially payable in FY27, although the board may wish to keep the actual dividend high, depending on its assessment of circumstances at the time. From FY28 we assume that all dividends that can be paid will be paid, to leave the company with zero net cash at the end of its assumed life in FY38. Variations from this 'base case' assumption are provided in the 'Sensitivities' section below.

Exploration

Exploration continued in Q2, with a total of 3,654m drilled at Mpama South and 1,893m at Mpama North (in aggregate, an 18.7% increase relative to Q1).

Highlights of the three holes completed at Mpama North were:

- Hole MND057D2_T7 (deflected from the MND057 mother hole) intersected 1m of intense chlorite alteration with thin visible cassiterite mineralisation from 696m to 697m down-hole depth (c 610m vertical depth below surface). Although thin, this is the deepest cassiterite intersection recorded at Mpama North to date and confirms that the tin mineralising system extends to at least this depth below surface.
- Hole MND056BD4_T5 (deflected from the MND056B mother hole) intersected 11m of amphibolite host rock from 609m to 620m, including 1m of intense chlorite alteration from 619m to 620m. No visible cassiterite mineralisation

was intersected, and the intersection is therefore interpreted to be at or beyond the lateral margin of the mineralised corridor. Nevertheless, this result informed the design of an up-dip deflection to re-test the mineralised envelope at a shallower position within the same structural corridor.

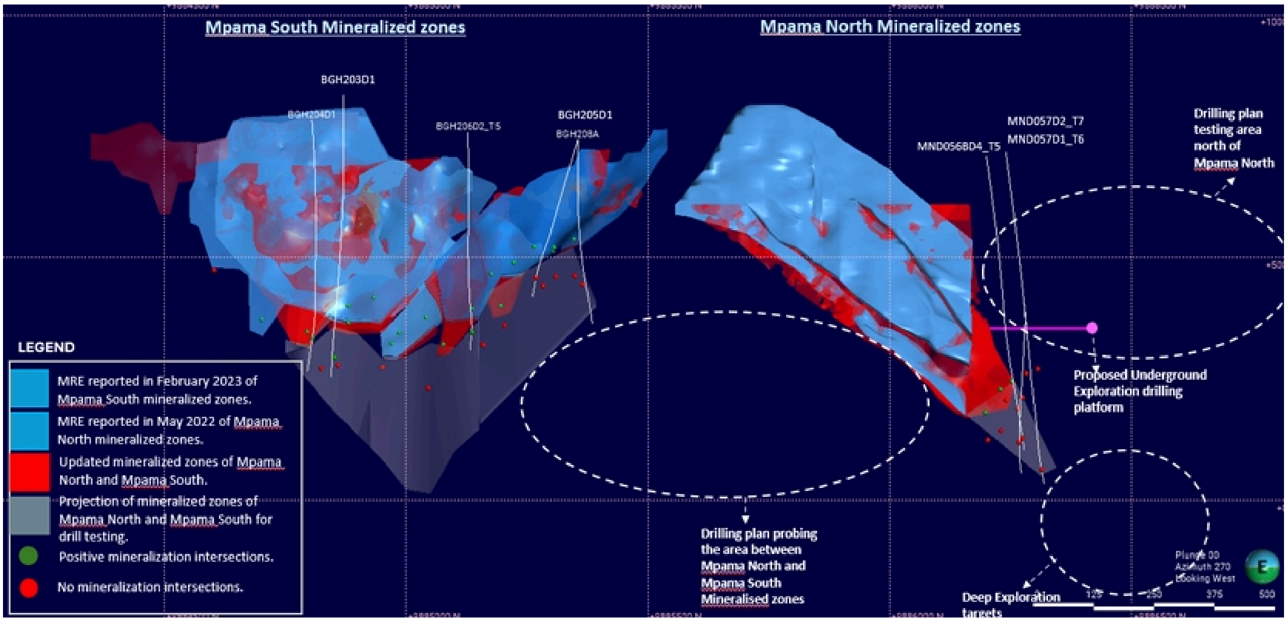
- Hole MND057D1_T6 (deflected from the MND057 mother hole) intersected 3.5m of amphibolite host rock from 702m to 705.50m with moderate chlorite alteration. No visible cassiterite mineralisation was observed, consistent with the lateral margin of the mineralised system at this depth.

Drilling at Mpama South in Q2 targeted extensions of the defined resource at depth. Five holes were completed, of which three intersected visible cassiterite mineralisation. Highlights included:

- Hole BGH206D2_T5 intersected visible cassiterite mineralisation over 19.29m, with intense chlorite and sulphide alteration from 426.41m to 445.70m. This is the most significant new intersection at Mpama South in the current programme. Two deflections from the BGH206 mother hole are planned at 275m and 230m depth to test the continuity of mineralisation with the defined resource above. External laboratory assay results are pending.
- Hole BGH204D1 intersected visible cassiterite mineralisation over 17.48m, with intense chlorite and sulphide alteration from 524.00m to 541.48m. External laboratory assay results are pending.
- Hole BGH203D1 intersected visible cassiterite mineralisation over 1.35m, from 577.85m to 579.20m. External laboratory assay results are pending.

A cross-section of the areas being targeted by Alphamin is shown below:

Exhibit 5: Mpama North and Mpama South cross-section



Source: Alphamin Resources

One of Alphamin's company objectives is to increase the intensity of its exploration to add to the current life of operations via drilling campaigns and focusing on grass-roots exploration in search of tin deposits in close proximity to the Bisie mine. In pursuit of this aim specifically, it has five initiatives currently underway:

- A VTEM (Versatile Time Domain Electromagnetic) airborne survey covering the full Alphamin licence area was completed in mid-June 2026 and is intended to provide advanced targets using the spatial association of sulphide mineralisation with cassiterite (tin oxide). Interpretation of the results currently is underway and expected to be delivered in Q326.
- Geochemical (soil) surveys commenced in Q2, covering the Mpama Ridge north of the Oso River and all areas adjacent to basement rock units (similar geological settings to Mpama Ridge) with 13,000 samples planned for phase one of the survey, which is expected to take six months to complete.
- A downhole electromagnetic (EM) geophysical survey tool was mobilised to the site in Q226 and has since commenced operation. This will assist in mapping the apparent spatial association between massive sulphides and tin mineralisation in order to identify further resource extension drilling targets.

- Further drilling is planned to test the gap between Mpama North and Mpama South, Mpama North depth extensions beyond the current faults and north of Mpama North (as depicted by the white circles in Exhibit 5).
- The company plans to release an updated resources and reserves estimate in Q426.

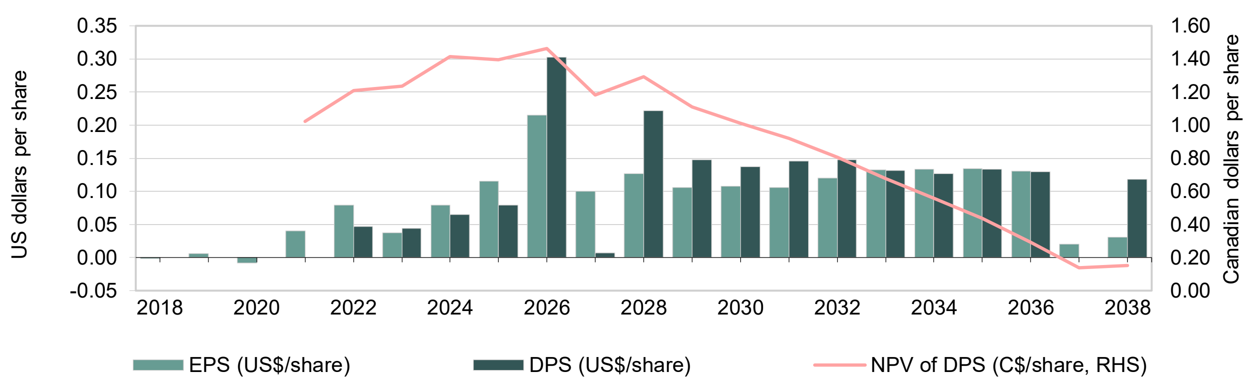
Valuation

Edison's absolute valuation of single-asset mining companies is typically based on the value of dividends that a shareholder could expect to earn from their investment if they were to hold their shares from the moment of purchase until the end of the life of the mine, discounted to present value. Discretionary exploration investment is ordinarily excluded from the financial forecasts when this method is used, as it is presumed to be at least value adding. In practice therefore, the dividends in question are 'maximum potential dividends' (subject to assumptions about metals prices). However, the resulting net present value should be considered a conservative valuation since it omits the optionality of blue-sky exploration success during the operation of the mine. This method was typically used by the analyst community to value South African mines that were listed in London, such as Driefontein, Kloof, Vaal Reefs, Beatrix and Western Deep Levels, etc (albeit with different accounting practices), prior to 1995 when the South African mining house system of mine financing began to change.

Compared with the alternative discounted cash flow (DCF) method of analysis, the discounted dividend approach more purely reflects the returns that an equity shareholder may expect to receive. Hence, it is possible to calculate an internal rate of return (IRR) pertaining to an investment in a company's equity at any particular share price and any particular point in time, rather than calculating an IRR for a project as a whole (which typically aggregates debt and equity returns and is therefore independent of a company's share price). In its application it can also be made to naturally accommodate future equity dilution in calculating returns to shareholders. Being based on only one unit of measurement (forecast future dividends), it is also relatively simple to estimate a value (and hence share price) at some point in the future in contrast with a DCF valuation, which typically requires three inputs (namely, forecast future cash flows, net debt/ cash and minority ownership). However, in the case of Alphamin, we have decided to present both discounted dividend and DCF valuations in order to benefit from the latter's ability to generate a terminal cash flow multiple to accommodate potential mine life extensions.

Given our assumptions (above), we assume that FY26 will be an exceptional year in terms of earnings and dividends, but there will be a return to normality in FY27. As noted previously, under these circumstances, we expect the dividend to be restrained in FY27, but then to rebound in FY28 when there is no longer any super profit liability to be paid. For the eight years thereafter, we expect EPS to average US$0.12/share and the maximum potential dividend to average C $0.18/share (US$0.13/share). On the basis of discounted dividends therefore, our valuation of Alphamin, as at 1 January 2026, is US$1.03, or C$1.46/share (cf C$1.41/share previously).

Exhibit 6: Alphamin estimated life of mine EPS, (maximum potential*) DPS and valuation

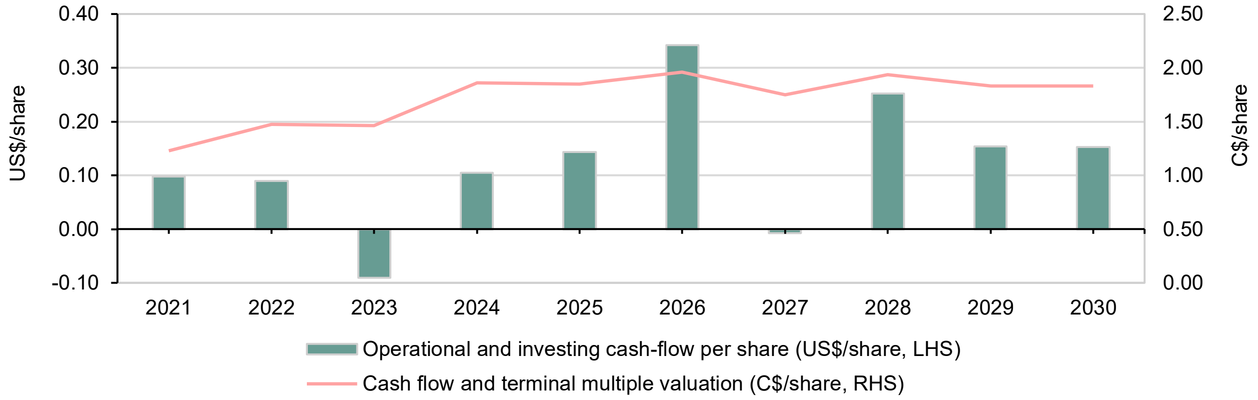


Source: Edison Investment Research. Note: *From FY27.

In this case, our discounted dividend valuation is almost exactly corroborated by a discounted attributable cash flow valuation also of C$1.47/share, under the same circumstances, which is as expected for a company with no net debt and assumed to pay out all excess cash and cash flow in the form of dividends (a key assumption of our discounted dividend valuation).

Our cash flow and terminal multiple valuation methodology uses FY29 as its terminal year, as it is representative of the cash flows per share that we estimate Alphamin is capable of earning for the following seven years. Since it includes discretionary exploration expenditure (which our discounted dividend and discounted cash flow valuations do not), this approach yields a slightly lower valuation number of C$1.43/share. Even so, the discrepancy with our discounted dividend and DCF valuations is negligible at less than 3%. Edison's 'base case' assumptions already assume that sufficient resources will be upgraded into reserves at Mpama North to extend its life until FY36. However, if ongoing exploration is capable of extending the life of mining operations at Bisie indefinitely, our valuation of Alphamin rises to C $1.95/share currently (cf C$1.91/share previously).

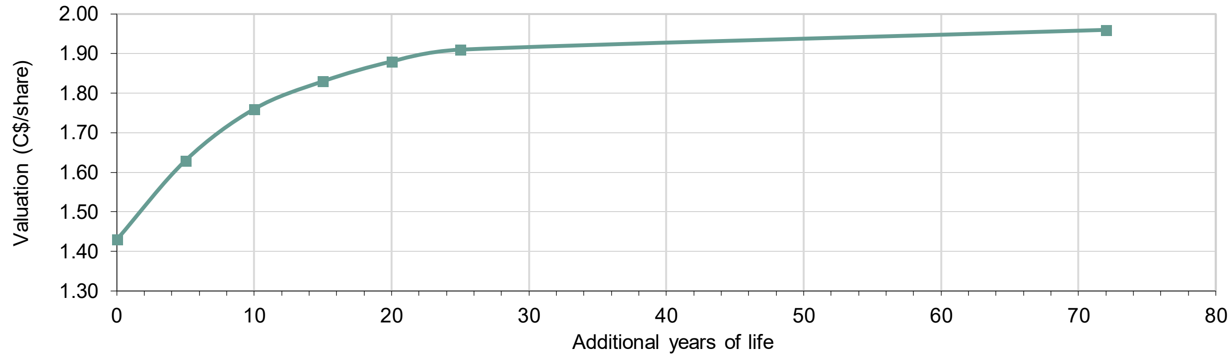
Exhibit 7: AFM estimated cash flow per share and ad infinitum valuation



Source: Edison Investment Research

A graph of our valuation of Alphamin as at 1 January 2026, given increasing operational life at Bisie with exploration success, is shown below:

Exhibit 8: Edison AFM cash flow and terminal multiple valuation with increasing operational life (C$/share)



Source: Edison Investment Research. Note: 75 years of additional life is the equivalent of 'ad infinitum' to the nearest cent.

In the meantime, at Alphamin's current share price, our forecasts suggest a current year P/E ratio falling from 18.3x in FY23 (see also Exhibits 9 and 10) to 4.8x in FY26.

Relative valuation

A comparison of Alphamin's valuation relative to those of its peers, based on a series of commonly used prospective valuation multiples (where available), is provided below:

Exhibit 9: Alphamin valuation relative to peers

	Market cap	P/E (x)			EV/EBITDA (x)			Yield (%)			P/CF (x)		
	US$m	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
Alphamin	1,315.7	4.8	10.2	8.6	1.8	3.9	3.5	18.1	10.4	20.7	2.8	52.8	3.7
Metals X	972.5	7.9	10.1	11.7	4.5	5.9	6.8	2.0	1.9	1.9	12.1	12.6	14.3
Yunnan Tin	7,926.1	15.7	14.5	17.5	10.2	9.3	8.5	2.3	2.6	N/A	12.3	9.2	9.4
PT Timah	1,423.0	6.8	6.0	5.2	4.5	3.6	3.2	2.6	13.9	11.4	N/A	N/A	N/A
Malaysia Smelting	399.0	10.9	10.4	8.8	7.1	6.6	5.2	6.5	7.5	9.5	N/A	N/A	N/A
Average		**10.3**	**10.3**	**10.8**	**6.6**	**6.4**	**5.9**	**3.3**	**6.5**	**7.6**	**12.2**	**10.9**	**11.8**

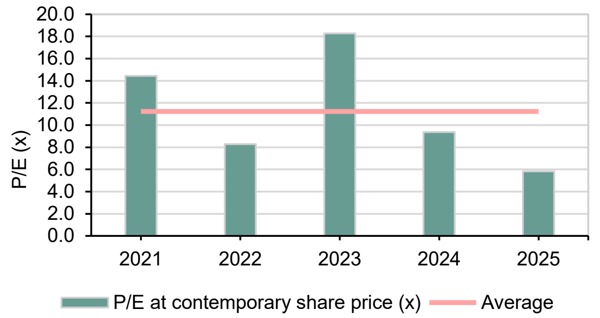
Source: Edison Investment Research, LSEG Data & Analytics. Note: Peers priced as at 28 July 2026.

On this relative basis, Alphamin is priced at multiples that are cheaper than the averages of its peers on 91% of valuation measures (ie 11 out of 12). On a discrete basis, it is cheaper than its peers on 33 out of 41 (or 80%) of valuation measures. Alternatively, we calculate that the average Alphamin share price implied by the average multiples of its peers is C$5.54 in FY26, followed by C$1.61 in FY27 and C$3.22 in FY28, notwithstanding the fact that our forecasts for FY27 and FY28 are based on our long-term tin price of US$31,651/t, which is a 40.9% discount to the current price of US$53,583/t. Suffice it to say, at the current price of tin, Alphamin is cheaper than its peers on 100% of the valuation measures shown above.

Historical valuation

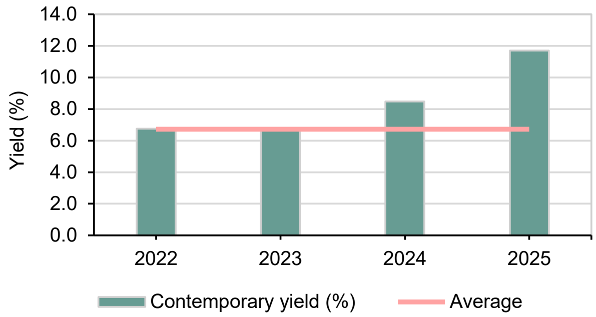
AFM has recorded positive EPS since FY21 and has paid out dividends since FY22. Since 2021, its average current year P/E ratio has been 11.2x, while its average (current year) dividend yield has been 6.7% (based on dividends paid in the period, rather than dividends paid for the period):

Exhibit 10: Alphamin current year P/E ratio, FY21–25



Source: Edison Investment Research (underlying data: Alphamin Resources and Bloomberg)

Exhibit 11: Alphamin current year dividend yield,* FY22–25



Source: Edison Investment Research (underlying data: Alphamin Resources and Bloomberg). Note: *Based on dividends paid in the period, rather than dividends paid for the period.

A summary of the share prices implied by AFM's average historical P/E ratio of 11.2x current year earnings over the past five years, from FY21 to FY25 (inclusive), and its average historical yield of 6.7% from FY22 to FY25 (inclusive), as applied to Edison forecasts for FY26e to FY28e, is as follows:

Exhibit 12: AFM share price implied by Edison estimates and average current year contemporary P/E ratios and yields (C$/share)

	FY26	FY27	FY28
Implied valuation at average P/E ratio (C$/share)	3.40	1.58	1.88
Implied valuation at average yield (C$/share)	3.87	2.23	4.44

Source: Edison Investment Research

Sensitivities

By far Alphamin's greatest valuation sensitivity is to the price of tin, which has risen by over 50% in the past three quarters, from US$33,986/t in Q325 (ie close to Edison's long-term price assumption) to over US$50,000/t today, driven by high demand for electronics and electric vehicles pushing the market into a structural deficit as constrained supply (especially at the Man Maw mine in Myanmar) fails to match demand growth. While speculative activity may also have contributed to the price rises, there appears to be a growing realisation among both market participants and investors that this may not be a transient condition and that the market could be moving into a long-term phase characterised by constrained supply coupled with high demand. We are reviewing our long-term tin price assumptions in the light of these circumstances. However, in the meanwhile, the table below shows our discounted dividend valuation at a variety of long-term tin price options:

Exhibit 13: Edison's Alphamin valuation (C$/share) relative to long-term tin price assumptions (US$/t)

Long-term tin price assumption (US$/t)	Edison AFM valuation (C$/share
31,651	1.46
35,000	1.68
40,000	1.78
45,000	2.06
50,000	2.30
55,000	2.54

Source: Edison Investment Research

Note that the relatively small valuation increase between a tin price of US$35,000/t and one of US$40,000/t arises from the assumption of a permanently higher cost base at prices beyond this threshold. Otherwise, it can be seen that our valuation of AFM rises by c C$0.25/share for every US$5,000/t by which we raise our long-term tin price.

Financials

Alphamin had net cash on its balance sheet of US$92.8m as at end-Q2 (excluding lease liabilities). This was lower than the US$142.8m that it recorded at end of Q1, but (at least in part) reflected the payment of a US$147.5m dividend during the period (including dividends to third parties) and an associated US$14.2m in withholding taxes. Excluding these two items, we may posit that Alphamin's net cash position would otherwise have been US$254.5m as at end-Q2, reflecting underlying cash accumulation of US$111.7m during the quarter. With the decision on the FY26 interim dividend scheduled for Q4, we expect Alphamin to revert to cash accumulation rates at approximately this level in the meantime, making a generous dividend in that quarter a distinct possibility as long as the tin price remains at approximately current levels (we have assumed an interim payout of C$0.13/share – the same as the FY25 final dividend). Otherwise, given that it has no major capital projects planned and is highly cash generative, there should be no reason for it to return to a condition of net debt unless by the specific design of the board and/or unforeseen circumstances.

Exhibit 14: Financial summary

Accounts: IFRS; year-end: 31 December; $000s	2019	2020	2021	2022	2023	2024	2025	2026e	2027e
Income statement									
Total revenues	27,221	187,445	352,883	391,052	288,505	527,986	620,888	1,010,618	596,956
Cost of sales	(7,915)	(119,554)	(138,217)	(146,983)	(130,257)	(233,726)	(253,034)	(312,377)	(240,148)
Gross profit	19,306	67,892	214,666	244,069	158,248	294,260	367,854	698,240	356,807
SG&A (expenses)	(14,526)	(17,238)	(19,754)	(24,797)	(21,952)	(30,891)	(36,698)	(40,293)	(41,713)
Other income/(expense)	0	0	0	0	0	0	0	0	0
Exceptionals and adjustments	(3,673)	(7,649)	(3,680)	(2,885)	763	(2,849)	(1,386)	0	0
Depreciation and amortisation	(7,927)	(25,471)	(26,632)	(28,806)	(31,289)	(47,191)	(57,490)	(59,473)	(62,694)
Reported EBIT	(3,147)	25,182	168,279	190,467	105,007	216,178	273,665	598,474	252,401
Finance income/(expense)	(6,330)	(15,614)	(8,358)	(4,820)	(7,207)	(7,556)	(4,790)	(2,887)	(4,010)
Other income/(expense)	(4)	(1,518)	(874)	(499)	(2,334)	(5,663)	11,745	(14,236)	0
Exceptionals and adjustments	6,850	(8,776)	(26,922)	(484)	0	0	0	0	0
Reported PBT	(2,632)	(725)	132,126	184,664	95,466	202,959	280,621	581,351	248,391
Income tax expense (includes exceptionals)	7,755	(7,141)	(68,558)	(62,933)	(37,502)	(79,740)	(101,249)	(249,437)	(95,475)
Reported net income	5,123	(7,866)	63,568	121,731	57,964	123,219	179,372	331,914	152,916
Basic average number of shares, m	845	1,066	1,195	1,272	1,275	1,276	1,279	1,285	1,288
Basic EPS (US$/share)	0.01	(0.01)	0.04	0.08	0.04	0.08	0.12	0.21	0.10
DPS (C$/share)	0.00	0.00	0.00	0.06	0.06	0.09	0.11	0.26	0.15
Adjusted EBITDA	8,453	58,302	198,592	222,157	135,537	274,045	341,402	657,947	315,095
Adjusted EBIT	526	32,831	171,959	193,352	104,248	226,854	283,912	598,474	252,401
Adjusted PBT	(5,809)	15,699	162,728	188,032	94,707	213,635	290,868	581,351	248,391
Adjusted EPS (C$/share)	0.01	(0.01)	0.05	0.11	0.05	0.11	0.16	0.30	0.14
Adjusted diluted EPS (US$/share)	0.00	(0.01)	0.04	0.08	0.04	0.08	0.11	0.21	0.10
Balance sheet									
Property, plant and equipment	255,125	239,103	227,720	263,041	349,518	361,387	324,519	284,345	241,507
Other non-current assets	10,632	15,882	27,088	27,548	37,733	54,214	66,933	81,933	196,439
Total non-current assets	265,757	254,985	254,808	290,589	387,251	415,601	391,452	366,278	437,946
Cash and equivalents	5,941	6,559	90,640	119,389	7,159	29,676	56,088	210,555	37,675
Inventories	27,755	21,866	20,674	24,814	41,809	53,068	54,450	71,989	32,710
Trade and other receivables	1,486	7,601	47,626	27,819	42,933	64,160	57,949	71,989	42,523
Other current assets	17,633	6,710	7,402	27,491	37,609	15,273	25,272	25,272	25,272
Total current assets	52,815	42,736	166,342	199,513	129,509	162,176	193,760	379,805	138,180
Non-current loans and borrowings	78,229	34,821	0	0	6,575	5,130	6,082	6,082	6,082
Other non-current liabilities	9,641	8,872	31,258	32,394	35,189	39,993	49,666	167,503	16,813
Total non-current liabilities	87,870	43,693	31,258	32,394	41,764	45,123	55,748	173,584	22,895
Trade and other payables	22,544	16,034	10,582	21,284	38,431	75,196	45,115	40,544	31,169
Current loans and borrowings	16,339	25,810	17,035	4,422	65,894	63,026	34,487	31,593	31,593
Other current liabilities	17,233	14,253	51,541	64,597	5,159	4,363	2,713	1,273	1,273
Total current liabilities	56,116	56,098	79,158	90,303	109,484	142,585	82,316	73,410	64,035
Equity attributable to company	145,215	171,735	274,727	320,425	312,786	333,535	381,410	425,555	417,231
Non-controlling interest	29,371	26,196	36,007	46,980	52,726	56,534	65,738	73,534	71,965
Cashflow statement									
Profit before tax	(2,632)	(725)	132,126	184,664	95,466	202,959	280,621	581,351	248,391
Net finance expenses	5,456	15,616	8,359	4,912	7,568	7,958	5,661	0	0
Depreciation and amortisation	7,927	26,504	26,634	28,806	31,289	47,191	57,490	59,964	62,818
Share based payments	403	471	681	265	33	1,694	1,489	0	0
Other adjustments	(6,851)	8,842	26,985	711	0	0	(12,245)	0	0
Movements in working capital	(6,710)	(20,281)	(43,636)	18,833	(21,824)	(39,481)	(9,970)	(36,150)	59,371
Interest paid / received	(3,092)	(11,378)	(6,758)	(3,597)	(5,187)	(6,675)	(3,102)	0	0
Income taxes paid	0	(843)	(2,196)	(47,966)	(105,360)	(30,917)	(113,930)	(130,160)	(345,671)
Cash from operations (CFO)	(5,498)	18,205	142,194	186,627	1,986	182,729	206,014	475,004	24,909
Capex	(22,720)	(7,448)	(22,516)	(53,447)	(117,223)	(49,398)	(22,212)	(34,790)	(34,980)
Acquisitions & disposals net	0	0	0	0	0	0	0	0	0
Other investing activities	(46)	(96)	(3,014)	(19,312)	0	0	0	0	0
Cash used in investing activities (CFIA)	(22,766)	(7,544)	(25,531)	(72,759)	(117,223)	(49,398)	(22,212)	(34,790)	(34,980)
Net proceeds from issue of shares	11,936	10,010	19,852	2,513	343	1,727	0	5,436	0
Movements in debt	0	(18,735)	(45,198)	(13,552)	66,752	(5,220)	(29,464)	(2,894)	0
Dividends paid	0	0	(5,552)	(71,517)	(61,027)	(101,551)	(123,657)	(285,409)	(162,809)
Other financing activities	5,165	(1,319)	(1,685)	(2,563)	(3,061)	(5,770)	(4,268)	(2,881)	0
Cash from financing activities (CFF)	17,100	(10,044)	(32,582)	(85,119)	3,007	(110,814)	(157,390)	(285,748)	(162,809)
Increase/(decrease) in cash and equivalents	(11,164)	617	84,081	28,749	(112,230)	22,518	26,412	154,466	(172,880)
Cash and equivalents at end of period	5,941	6,559	90,640	119,389	7,159	29,676	56,088	210,555	37,675
Net (debt) cash	(88,627)	(54,073)	73,605	114,966	(65,310)	(38,480)	15,519	172,880	0
Movement in net (debt) cash over period	(24,836)	34,554	127,678	41,361	(180,277)	26,831	53,999	157,361	(172,880)

Source: Company sources, Edison Investment Research

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