



Quimbaya Gold Inc. (CSE: QIM)

Building a high-impact exploration portfolio in Colombia's prolific Antioquia gold camp

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Investment Highlights

- ◆ **Company overview:** Quimbaya Gold holds a strategically positioned, large land package in the historically significant Segovia mining camp adjacent to active gold production operations. The Company is commencing its first drill program targeting high-grade veins along a known trend from nearby resource-rich veins in Segovia.
- ◆ **Exploration plan:** The initial 4,000-meter drill program, focused on confirming high-grade gold veins, will provide early indications of a gold resource. The exploration is backed by a technical advisory team with extensive local expertise who are responsible for land acquisition, program design, and ongoing project evaluation.
- ◆ **Partnerships and funding:** Quimbaya has secured a significant partnership with Independence Drilling S.A., Colombia's largest drilling contractor, committing to 100,000 meters of drilling in exchange for shares that ensure the project progresses to the resource stage. A recent financing round raised C\$2.79 million, providing operational and exploration funding, as well as mitigating market downside risks.
- ◆ **Strategic position and market potential:** Quimbaya is exploring opportunities to formalize partnerships with local miners to generate cash flow by feeding production expansion in Segovia. With a tight capital structure and strong institutional and insider support, the stock is positioned for significant price movements on positive exploration and drill results.
- ◆ **Recommendation:** We recommend Quimbaya Gold as a buy for investors seeking exposure to high-impact gold exploration in Colombia's Segovia mining camp. With gold prices at new highs, the Company's upcoming drill program presents a promising opportunity. Our initial target price for the stock is C\$1.00.

Key financial data (FYE Dec. 31, C\$)	Q2-2024		Q3-2024	
Cash and equivalents	\$	9,412	\$	18,089
Working capital	\$	(892,828)	\$	(1,377,291)
Mineral assets	\$	5,228,425	\$	5,222,448
Total assets	\$	5,284,437	\$	5,265,052
Net income (loss) for the period	\$	(646,541)	\$	(645,235)
EPS for the period	\$	(0.02)	\$	(0.02)
Weighted average shares outstanding		28,528,981		30,546,367

Current Price (CSE:QIM)*	\$0.46
Fair Market Target	\$1.00
Projected Return	117%
Action Rating	BUY
Perceived Risk	HIGH

Shares Outstanding	45,550,739
Market Cap. (C\$)	\$20,953,340
Year End	Dec. 31

P/B	2.48
YTD Return	39%

* Note: all \$ amounts are C\$ unless otherwise stated

TSXV: QIM Price and Volume History



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COMPANY INTRODUCTION

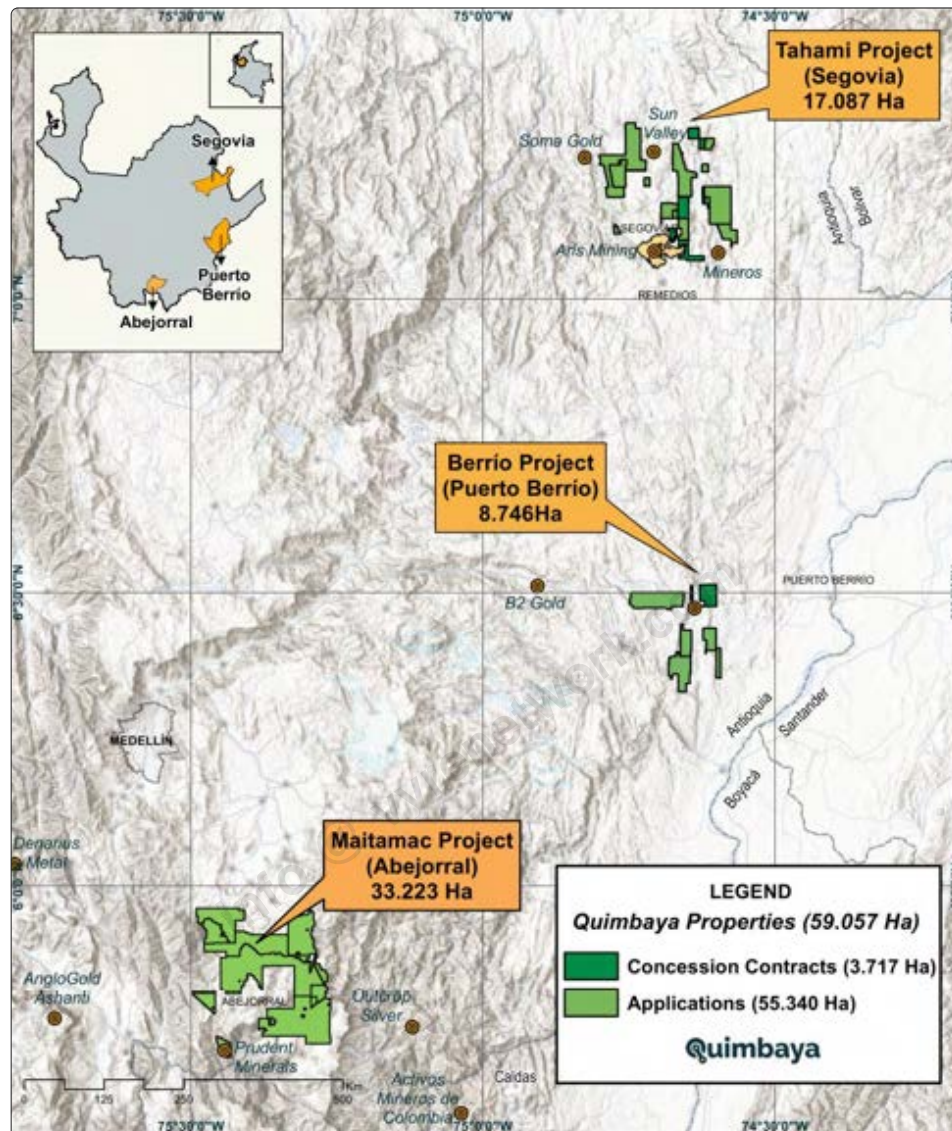
Quimbaya Gold is a new junior exploration company founded in 2020 with the intention to develop an asset base for gold exploration and development in Colombia. The Company listed on the Canadian stock exchange (CSE: QIM) in early 2022 with the symbol QIM. This listing continues as the primary for the Company. The Company is also cited on the OTCQB: QIMGF since February 2024, and the Frankfurt Exchange (FSE: K05).

Quimbaya acquired its first project claim group, the Berrio Property, in late 2020. This project is located in the Antioquia District of Colombia. This District is host to most of Colombia's significant mining operations and remains an area with active discoveries and resource expansions. The Company built up its land in this District with two other project claim groups, Tahami, near the Segovia mining center and the Matamec located south of Medellin. Today the Company holds titles and applications covering over 59,000 ha in this prospective region.

Quimbaya's projects cover areas prospective for orogenic and epithermal gold deposits related to the major and splay structures of the region. Numerous prospects and small-scale locally operated mines are in the region and on the Company's claim groups. Limited modern exploration work has been completed on the claim groups at this time. The Company focused on its strategy of building a targeted land package in the Country for the first few years of its operations. The Company managed low-cost and fast claim acquisition through access to proprietary staking software, allowing Quimbaya a timing advantage to pick up the most prospective land ahead of other companies. It is now ready to commence its first drilling campaign on a mining title claim in the Segovia area, the Tahami South, adjacent to the Aris Gold project land.

The initial drill program is targeting the expected extension of the mine veins at the Aris Segovia project onto the Company's titles. This is a planned 4000 m program. We expect this program to generate an indication of the continuity of the mineralized vein extensions and start building a mineral inventory. The Company is focusing its exploration on its highest probability targets to produce positive results that could lead to value generation through discovery, transactions and possibly development. **Based on this positive outlook, we recommend Quimbaya as a buy with a high risk profile due to the early stage of its asset base with no compliant resources. Our initial fair market value 2025 target for the stock is \$1.00 per share.**

Figure 1: Claim groups



Source: Quimbaya Gold presentation

CATALYSTS AND TIMING

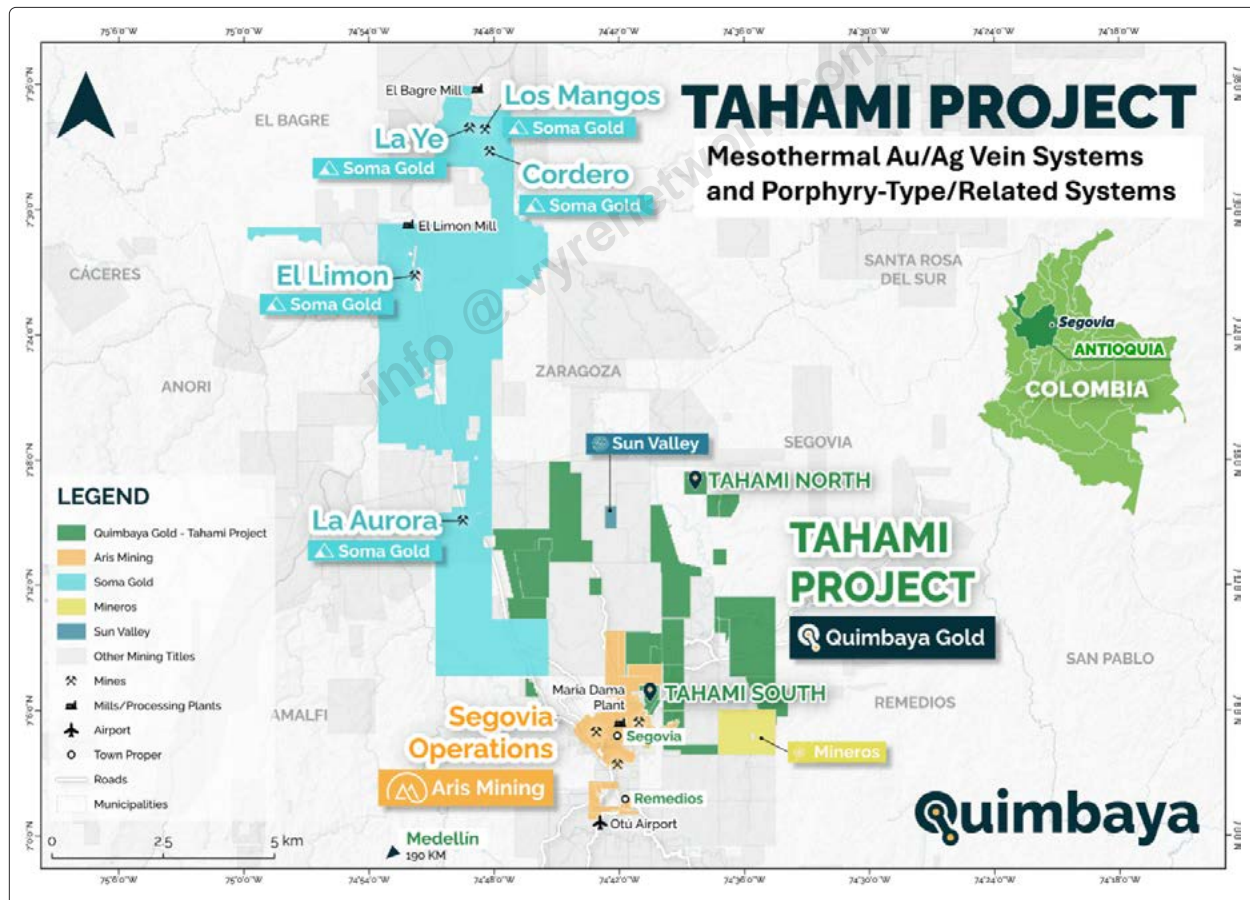
- ◆ Tahami South initial drilling results (Q2/Q3 2025)
- ◆ Tahami Project surface exploration results (Q2/Q3 2025)
- ◆ Tahami South second drilling program announcement (Q3/2025)
- ◆ Start of Tahami South's second drilling program (Q4 2025)
- ◆ Warrant exercises for addition operational capital (Q3/Q4 2025)
- ◆ Formalization of local miners for cashflow generation (Q4 2025)
- ◆ Continued gold price appreciation (ongoing in 2025)

PROJECT CLAIM GROUPS

TAHAMI

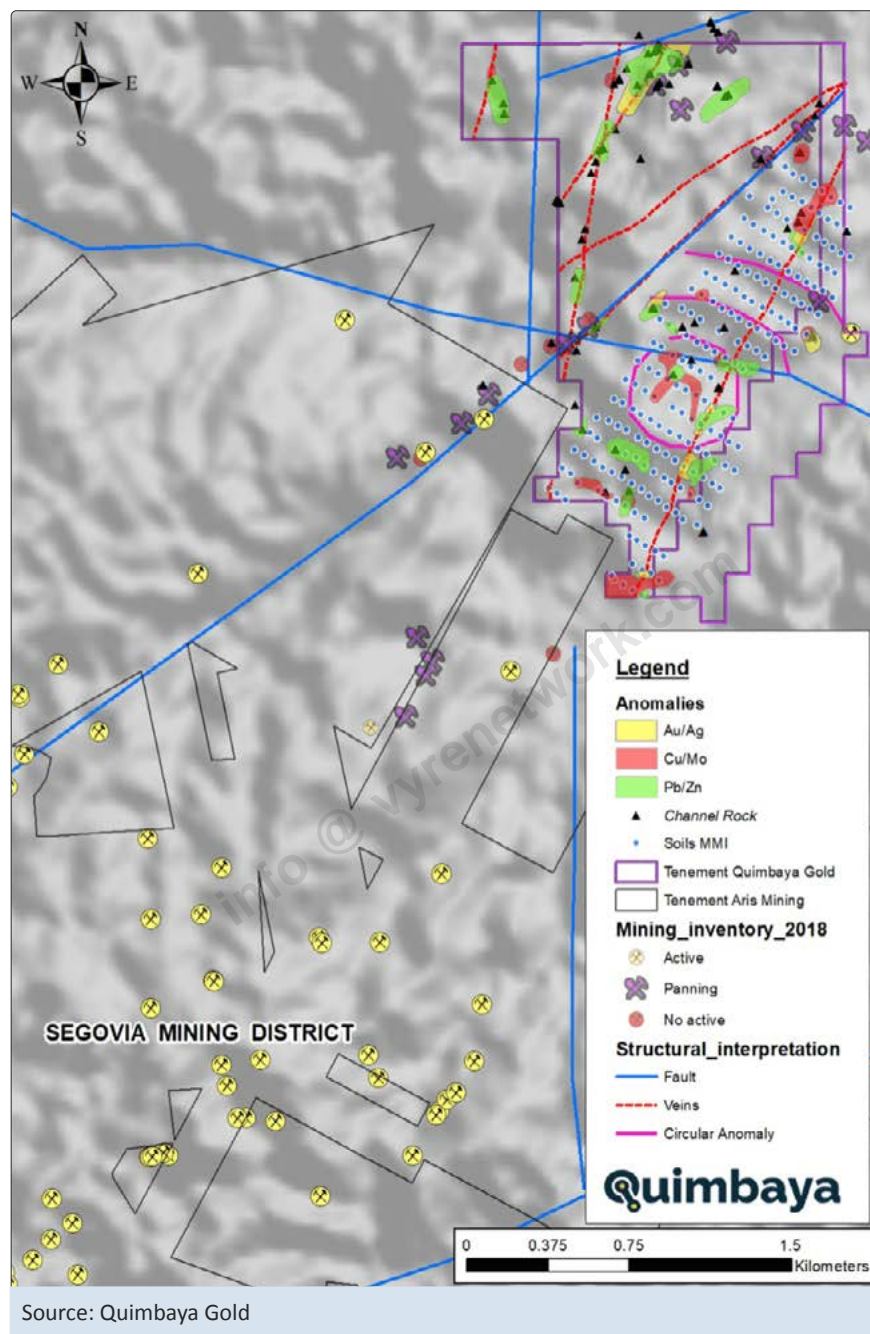
The Tahami Claim group lies in the historically significant and producing Segovia mining center. This camp produced over six million ounces of gold in the last 100 years. The main Segovia mine produced 1.5 million ounces of gold over the last 11 years at an average grade of 13.6 g/t. The Tahami Project encompasses 17,087 hectares in several claim blocks of titles and applications, as illustrated in Figure 2. These claim groups are known to host gold mineralization, as over 150 local miners are actively producing gold from mineralization on these assets. There are over 25 past-producing mines identified on the claims. These sites provide first-order targets for the Company's exploration plans to identify gold resources. Quimbaya is the only exploration-focused Company in the area and is surrounded by established producers expanding their production assets. They are likely in need of additional mill feed.

Figure 2: Tahami Project claim blocks Segovia Mining Camp



Source: Quimbaya Gold

Figure 3: Tahami South sampling results

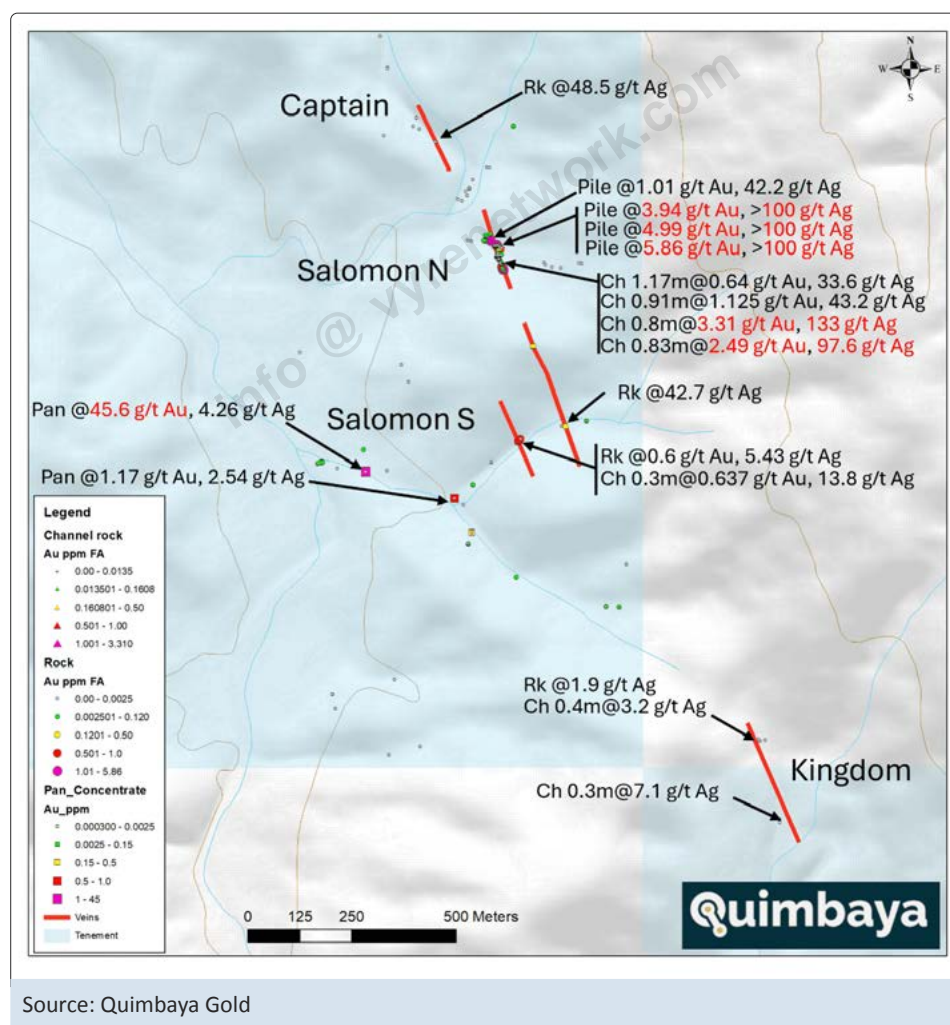


The Tahami South block of the project is the focus of the 2025 exploration program. The majority of this block was acquired in mid-2024. The block covers 252.7 hectares and is located immediately northeast of the Aris Segovia gold and silver production project, sharing most of its geological features in terms of

lithology, alteration, structure, and mineralization styles. Exploration on the block started in earnest after the acquisition and included:

- ◆ A LiDAR survey has commenced, covering the entire Tahami South area, totalling 800 hectares.
- ◆ Mobile Metal Ion (MMI) soil sampling was conducted across a 2 km x 0.7 km area, resulting in a total of 220 soil samples collected (see Figure 3). As well, 135 channel rock samples were collected during the preliminary field survey of the property.
- ◆ Technical evaluation was completed in September 2024, including the processing of regional airborne geophysics (magnetometry), a regional structural interpretation of the Digital
- ◆ Elevation Model, interpretation of historical gold vein mineralization in the district, and analysis of property geochemical data.

Figure 4: Tahami North sampling results



An Exploration Program is designed to test the high-priority, mineralized gold and silver trends of the well-known historical Segovia Gold Mining District. The exploration program includes the evaluation of gold placer deposits located southeast, east, and north of the property, in La Cianurada and San Nicolas creeks, which drain the main mining operations of the Segovia district. Fieldwork is ready to start, including geological mapping, trench design, soils and channel rock sampling programs. This will support the targeting for the initial 4,000 m drilling program expected in Q2 2025, with initial results in the same quarter. The Company will look to analyze these results and that of the other fieldwork to provide input for a second drilling program in Q4-2025, its meterage and location to be determined.

The Company also completed exploration of the Tahami North block of the project in early 2025. Preliminary field exploration in 2024 yielded promising results with rock samples grading up to 5.86 g/t gold and 133 g/t silver along a newly identified 2km vein system trending Northwest within the Company's claims at Tahami North. A total of 67 channel samples, 60 rock samples, and five pan concentrates were collected.

Rock sampling confirmed the presence of gold-silver veins, with high-grade results from the Salomon and Pile veins, including 3.31 g/t gold and 133 g/t silver in channel samples and up to 45.6 g/t gold in pan concentrates. Data compilation in January 2025 involved regional structural analysis using the Digital Elevation Model (DEM), magnetometry geophysics, geochemical data review, and normalization of laboratory certificates.

A follow-up exploration program is set to test the continuation of these gold-silver veins along the identified trend. Planned activities include geological mapping, trenching, and additional soil and channel rock sampling programs. These efforts aim to further define drilling targets along the gold-silver corridor at Tahami North that could be part of the Q4-2025 program.

The Company holds two other project claim groups in Antioquia, Matamec and Berrios, as shown in Figure 1. They are not the focus of recent work or 2025 exploration plans but provide additional well-located sites for exploration and discovery.

SEGOVIA DISTRICT — ARIS MINING (TSX:ARIS)

Aris Mining is the most significant other Company in Colombia for Quimbaya Gold, as their neighbour in the Segovia mining camp. Aris Mining is a growing gold and silver producer in the Antioquia Department from their Segovia and Marmato operations. Quimbaya holds titles and applications claim groups adjacent to Aris in the Segovia mining camp. See Figure 5.

Aris Mining is a ~C\$760 million market cap company that reported production of 210,955 ounces in 2024, mostly (89%) from its Segovia operations. The Segovia operations are currently undergoing an expansion from 2000 to 3000 tpd at a modest capex of US\$15 million. This expansion of the mine and mine development is expected to increase gold production to 210,000 to 250,000 ounces in 2025 and to 300,000 ounces in 2026 and on. This is based on resources at the mine of 3.6 million ounces at 14.3 g/t in the M+I category and 1.8 million ounces at 12.1 g/t Inferred. Aris Mining also looks to expand production from ore sourced from its contract mining partners (CMP), which today supply about 40-45 % of the mill feed.

Figure 5: Aris Mining Segovia production plant



Source: CIM Magazine

These numbers highlight two significant aspects of the Aris Mining Segovia operations. The first is the resource grade. Segovia ranks as a leading high-grade mine globally, with a reserve grade of 10.8 g/t gold. High grades are often a key consideration for investment in development projects as they help lower mining costs per ounce. The Segovia operations are reported to have generated over USD160 million in free cash flow from operations in 2024. Resources of this grade and cashflow potential are being explored on Quimbaya's adjacent lands. Aris Mining land in the Segovia district covers 5,386 ha, the central part of this historic mining camp. Quimbaya's claim groups now total over 17,000 ha with similar geology, structures and ongoing small-scale mining present.

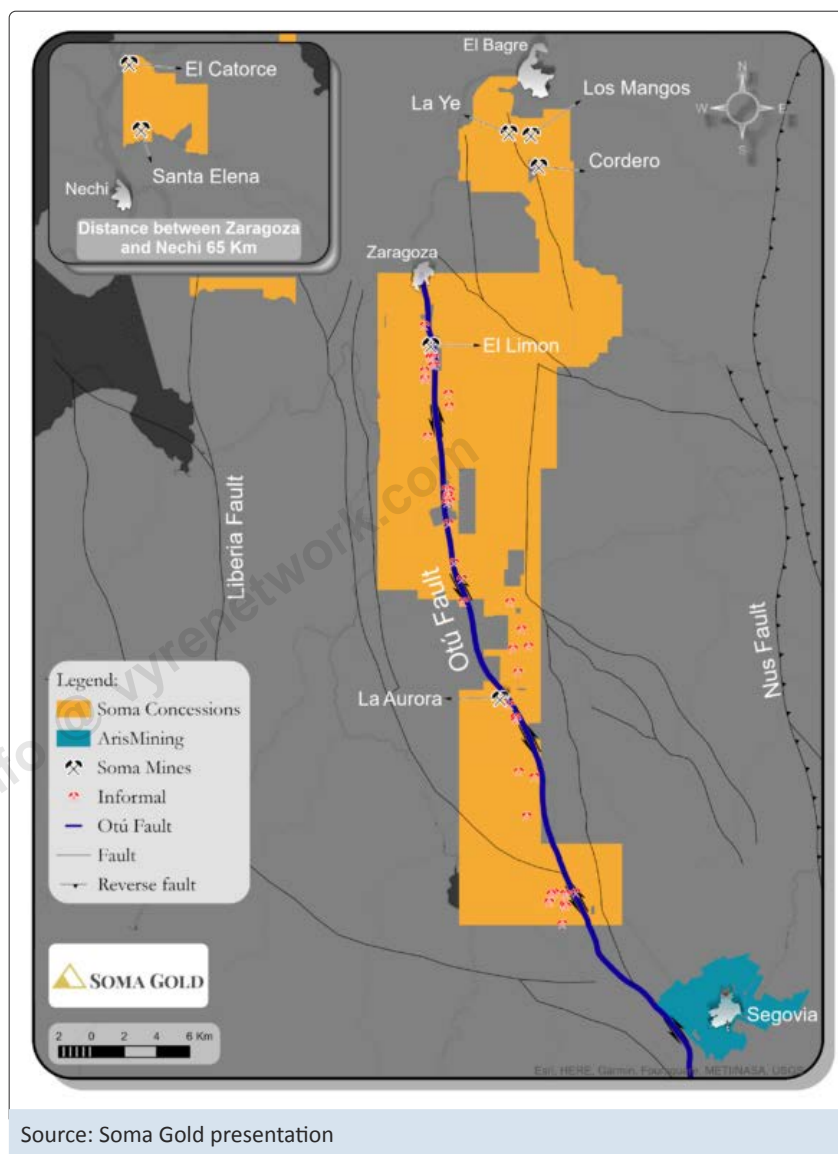
The second number is about the supply of feed from the local CMP, totalling 40-45%. That is a significant portion of an operation to be supplied from sources out of the Company's control and with no formal resource values. One could see substantial operating risk. However, Segovia is a historic mining camp with operations extending back to colonial times. There are numerous small-scale operations throughout the district. Mining is part of the community and this is supported by Aris Gold through these local partnerships.

This positive and supportive mining community is also a benefit to Quimbaya as they look to explore and advance their projects in the district.

SOMA GOLD

Soma Gold Corp. is listed on the TSXV: SOMA, and it owns 100% of the El Bagre mine, which is located on a 41,000 ha property in Antioquia, Colombia. Soma owns two Merrill Crowe mills on the property, a 450 tones per day operating mill and a 275 tones per day mill set to restart operations in 2025. The two mills can be expanded to 1,400 TPD with all permits currently in place. Their claim block lies west of Quimbaya's along an N-S trend covering their resource targets (see Figure 6). Soma Gold is working to expand the resource base to justify the mill expansion. The exploration work is funded by the gold production that totalled close to 28,000 ounces in 2024. Their operations and exploration work provide another guide for Quimbaya in this extensive mining camp. Their mill expansion could be fed from Quimbaya's future resources or local miner formalization.

Figure 6: Soma Gold Segovia district claim block



ANALYST AND COLOMBIA EXPERIENCE

In a similar consulting analyst role, the author wrote a research report on Greystar Resources Ltd (formerly TSX: GSL) in mid-2003. Greystar held the Angostura Project in the Santander Department in the California gold camp. The project held a total resource of 4.9 million ounces completed by Kinross. Their lands totalled 6,630 ha in a camp known for its artisanal miners. The July 10, 2003 report showed a market price of \$1.45 for the C\$22 million market cap company with a \$2.05 price target based on their resource upgrade and

development plans. At the time, few Canadian mining companies were operating in Colombia due to the perceived and actual securities risks. Greystar was an active stock in the market based on this project and its potential. Greystar is now Eco Oro Minerals Corp and is in dispute with the Government of Colombia over the ability to advance their project on these claims.

COLOMBIA: CONSIDERATIONS FOR THE MINING INDUSTRY

History indicates that gold mining in Colombia dates to the 5th Century BC. The locals sourced gold readily up to the 16th Century and were masters in the production of gold works and ornaments. From the 16th to the 19th Centuries, Colombia was under Spanish rule, and gold mining continued with several significant mines in operations. Until the 20th Century, about one-third of world gold production was sourced from Colombia. Since the mid-2000s, the Colombian government has been promoting investment in the mining sector.

In 2019, mining accounted for ~2% of Colombia's GDP, including metals, coal and materials. It is also reported that only 1% of the Country is used for mining titles in the production phase and 2.3% for exploration project concessions. Colombia currently ranks in 18th position in terms of gold production as of 2023 at 60.4 tonnes.

QUIMBAYA STATES ITS REASONS FOR CHOOSING COLOMBIA:

- ◆ Colombia is the most under-explored Country in Latin America representing immense opportunity to make significant discoveries.
- ◆ Colombia is rich in high-grade gold deposits featuring a growing formal mining industry alongside an active community of small-scale and artisanal miners.
- ◆ Colombia has a quick development path to production. Large-scale mining projects can be permitted in 10 months. Eight mining permits have been granted by the current government in the last 2.5 years, including one open pit mine.
- ◆ Mining friendly jurisdiction. Global giants such as Glencore, AngloGold Ashanti, Xstrata, Anglo American, B2Gold, Agnico Eagle, and Newmont operate in Colombia.

And Antioquia District in particular:

- ◆ The Country's two largest gold mining projects. Segovia and Buritica are located within the Antioquia department.
- ◆ 50% of Colombia's gold mining comes from the Antioquia district.
- ◆ Antioquia has excellent infrastructure with a developed road network and access to power and water.
- ◆ Supportive pro-mining local community with a long history of mining.
- ◆ Aris Mining will spend \$18 million on exploration in the Segovia mine area in 2025. Good results would reflect favourably on Quimbaya's potential in the district.

Against this backdrop of success, Quimbaya is building its land base and strategy to capitalize on Colombia's resource potential. Although the Company was not a first mover into these historically significant mining camps, the Company is able to stake and acquire claim groups with known informal mines and cover zones of potential resource development along the known controlling structures and favourable geology.

CAPITAL STRUCTURE

The Company's capital structure is given in Table 1. Of note is the substantial insider ownership at 37%. This is coupled with institutional holders at ~28 % to reduce the market float to only 35% or ~14.5 million shares. This allows for positive leverage in the market to positive news and reduces downside risk with few shares on offer. The Company's newest insider is Independence Drilling S.A. of Colombia. They are supporting Quimbaya with a commitment of 100,000 m of drilling with a contract for payment in shares.

Table 1: Capital structure

Shares		
Shares held by CEO	13,871,157	33.5%
Management, directors & advisors	1,451,052	3.5%
Family offices, institutions	11,550,000	27.9%
Float	14,496,096	35.0%
Total shares outstanding (basic)	41,368,305	100%
Officers, directors & advisors options*	1,550,000	
Officers. Directors & advisors RSUs	625,000	
Warrants (exercise price \$0.75, expiry June 2025)	1,241,070	
Warrants (exercise price \$0.75, expiry Nov 2025)	391,954	
Warrants (exercise price \$0.40, expiry Dec 2026)	3,536,600	
Warrants (exercise price \$0.40, expiry Feb 2027)	5,983,465	
	13,328,089	
Total outstanding (fully diluted)	54,696,394	

* Weighted average exercise price: \$0.398

Source: Quimbaya Gold presentation

Quimbaya raised C\$2.79 million in Q4 2025 at \$0.30, with the stock now at \$0.48. The Company also raised ~C\$1.6 million earlier in 2024. These financings added ~12.5 million shares and associated 44% dilution.

The Company recently extended 1,589,344 of its \$0.75 warrants for another year on two dates to ensure this funding potential remains in place for this time period, which is helpful for junior exploration companies where funding remains tight. There are a further ~9.5 million warrants at \$0.40 in the money at this time, expiring in late 2026 and Q1 2027. These could bring in over C\$3.8 million in funding.

The Company's trading chart is given on the report's front page. The average daily trade over the past quarter is ~62,000 shares with a VWAP value of C\$30,000. This reflects the tight market but shows there is reasonable trade in the stock.

MANAGEMENT

Alexandre P. Boivin, CEO & Director

Alexandre has over 10 years of experience in Colombian mining and corporate finance.

Olivier Berthiaume, CFO & Director

Olivier is an accountant with over 12 years of experience.

Ricardo Sierra, VP Exploration

Ricardo is a geologist with over 18 years of exploration experience across South America. He is a member of the Australasian Institute of Mining and Metallurgy (MAusIMM).

Juan P. Bayona, Chairman

Juan is an Economist with 30 years of management experience. He raised over \$1B for Barings.

Pietro Solari, Director

Pietro has over 40 years of banking experience.

Juan Sanchez, Director

Juan has 10 years of experience in management roles across mining.

Dr. Stewart Redwood, Senior Technical Advisor

Dr. Redwood is a consulting economic geologist with over 40 years of experience. He has served as a 14-year technical advisor for Gran Colombia Gold (now ARIS Mining).

Nicolas Lopez, Technical Advisor

Nicolas is a geologist with over 28 years of experience in gold exploration. He played a pivotal role in several major discoveries, including the first Cu-Au porphyry deposit in the Middle Cauca Belt.

Terence Ortslan, Technical Advisor

Terrence has over 40 years of experience advising mining companies and financial institutions. He consults for international organizations and governments on industry regulations.

Quimbaya put together a technical advisory board that was purposely built for the discovery of gold deposits in Colombia. This team includes three geologists with extensive experience in the Colombia and regions where the Company's projects are located. This specific experience includes Dr. Redmond's twelve years as a technical advisor to Gran Colombia Gold on their Segovia and Marmato projects, now part of Aris Mining. This work took the Segovia project from grassroots exploration to resource definition, thereby providing the QIM team with direct experience in the camp for advancing the Tahami project.

Quimbaya's VP of Exploration, Ricardo Sierra, worked for Continental Gold, now Zijin Mining, at the Buritica Project and in Antioquia Department as Exploration Superintendent. There, he developed knowledge of the deposit's vein systems, which is critical in understanding mineralization systems in this region.

The third member of the Technical Committee, Nicholas Lopez, outlined his experience in a recent meeting with the author. Lopex explained his involvement in a regional data compilation and study of the mineralization structures and formation for the entire Segovia camp over its 70 km extent. This study identified the models of mineralization, structures, intersections, depth, and plunge characteristics that are now used for exploration and resource development in the camp.

This knowledge from these experts is now applied to Quimbaya's exploration programs in terms of setup, interpretation of results and their advancement. The group's experience was also used to select the Company's land package in locations favourable to resource potential due to the known trends, modes of mineralization and resource development in this camp. This significant experience will reduce the Company's ongoing exploration costs as results will be interpreted quickly and correctly with respect to their potential for resource discovery and development. We see this as another key success factor for Quimbaya.

MARKET ENGAGEMENT

The Company's market engagement program is led by the CEO, Alexandre Boivin. Mr. Boivin is a very active CEO supporting the Company through attendance at numerous industry conferences, talking with investors and telling the Company story and outlook. He holds a significant network in the industry, allowing access to capital and building the asset base.

Mr. Boivin resides in Central America, which allows him to maintain a close connection to the Company's operations in Colombia and the financing markets in North America and Europe. Recently, Mr. Boivin spearheaded the agreement with Independence Drilling S.A., which now gives the Company the ability to conduct 100,000 m of drilling using stock for payment. This is a significant agreement for a junior exploration company, ensuring it can continue to advance its projects and generate positive news for the marketplace. It is a key success factor for any junior exploration company.

VALUATION

Quimbaya Gold, as a junior exploration and development company, is looking to use its asset base to generate success and add value through discovery and resource development. Table 2 lists companies with projects in Colombia with a wide range of market caps. Quimbaya is in the middle of the pack as an advancing exploration company with a trio of well-positioned exploration projects.

Table 2: Colombia operating public companies

Regional companies	Market cap [M C\$]	Price [C\$]	YTD price change [%]
Quimbaya Gold Inc. (CNSX: QIM)	21.0	0.46	39.0
Prudent Minerals Corp. (CNSX:PRUD)	0.3	0.01	0.0
Eco Oro Minerals Corp. (CNSX:EOM)	1.6	0.02	200.0
Atico Mining Corporation (TSXV:ATY)	8.5	0.07	-33.3
Soma Gold Corp. (TSXV:SOMA)	59	0.64	18.5
Denarius Metals Corp. (NEOE:DMET)	64.2	0.6	-11.8
Outcrop Silver & Gold Corporation (TSXV:OCG)	79.4	0.23	25.7
Aris Mining Corporation (TSX:ARIS)	1,141.1	6.64	31.7
Collective Mining Ltd. (TSX:CNL)	1,198.9	14.13	136.7
B2Gold Corp. (TSX:BTO)	5,944.4	4.51	28.1
Zijin Mining Group Company Limited (SEHK:2899)	93,895.6	3.38	30.0

Source: Couloir Capital, Capital IQ

The Company is focusing its value-creation activities on the Tahami Project adjacent to the Segovia project held by Aris Mining. The land package, team experience, and gold resource discovery and development opportunities are estimated at the highest probability for the Company's asset base. This is supported by the numerous local miners operating on this land package. The Segovia mine is expanding its production from 2,000 tpd to 3,000 tpd, with completion expected in Q2-2025. Aris Mining operates the Segovia operations, sourcing from 40 to 45% of the mill feed on contract from local small-scale miners. This business model and the expanding production rate allow additional third-party supply to the mill. This potential is not currently estimated in the Quimbaya's value proposition.

The Segovia mine is also built on a significant resource base that Aris Mining operates. The current resource base at the mine totals 3.629 million ounces in the M+I at a grade of 14.43 g/t and 1.823 million ounces of gold in the Inferred category at 12.11 g/t is predominantly based on four veins at the mine whose dimensions and orientation are given in Table 3. These veins show considerable strike and down dip extension, which are positive factors for Quimbaya's exploration program.

Table 3: Aris Mining Segovia mine veins

Vein	Average dip	Strike length [km]	Down dip length [km]	Average vein width [m]
El Silencio	30°	2.8	2.7	1.3
Providencia	33°	2.2	2.0	1.1
Sandra K	34°	1.5	2.3	1.2
Carla	34°	0.85	0.48	1.3

Source: Aris Mining NI 43-101 September 2023

Quimbaya's Tahami South claim block lies adjacent to the Aris Mining Segovia project. A simple review of this mine's extensive data on the resource suggests that the mine veins could extend onto Quimbaya's ground, as illustrated by the past and current production. This is the model the Company is using for its exploration program. We are also using it for our valuation estimate model. From this analysis, it is suggested that the Aris Mining Sandra K vein could be projected onto the Tahami South block. The Sandra K vein is the highest-grade vein in the Aris Mining resource, as shown by the data in Table 4. The veins and their trends are shown in Figure 7 below, showing the potential projection towards Quimbaya's ground.

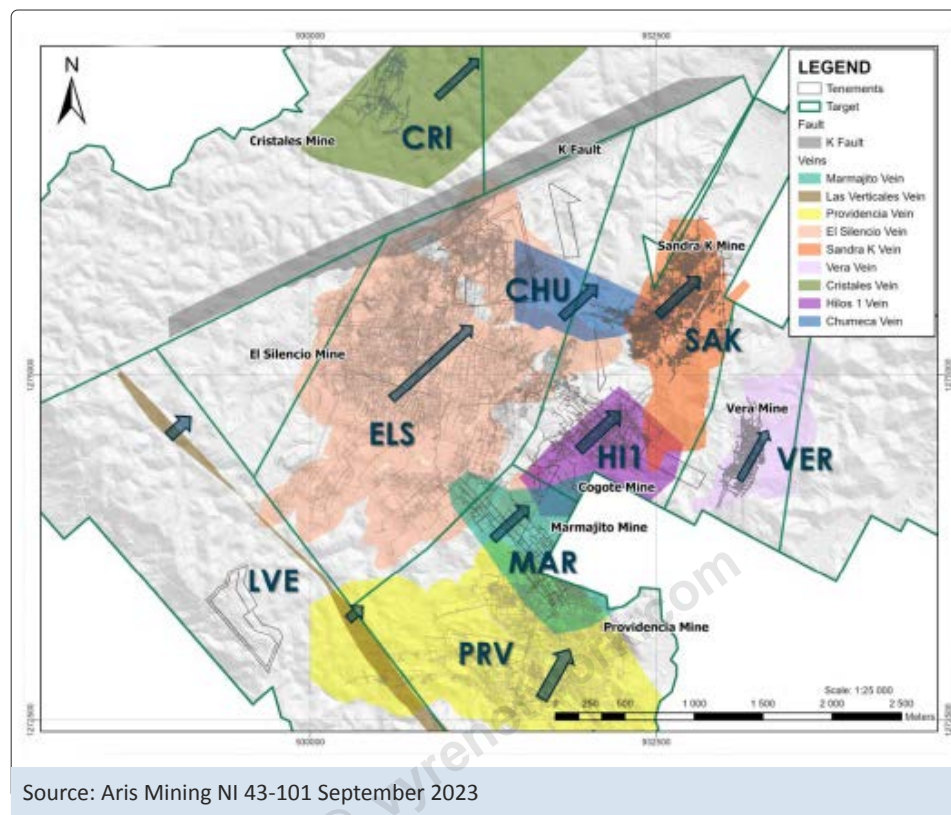
Table 4: Aris Mining resource vein composite statistics

Area	Number of composites	Average top cut composited gold grade [g/t]	Top cut gold coefficient of variation
El Silencio	80,782	14.40	2.4
Providencia	54,637	18.56	2.9
Sandra K	36,888	19.25	1.8
Carla	3,428	9.60	2.5

Source: Aris Mining NI 43-101 September 2023

Another feature of the veins in the camp is their known periodicity of "ore shoots." This data shows that typical ore shoots in the camp are ~300 m long on strike with gaps of 200 to 400 meters, as shown in the study discussed in the management section above. The Tahami South property shows a strike extend along the projection of the Sandra K vein of 1.2 to 1.5 km, enough to host several of these shoots. Sampling on the property shows mineralization anomalies that extend these lengths as well. The drilling program will start to confirm this potential.

Figure 7: Aris Mining Segovia vein trends



The current market valuation for the Company and our estimate of the resources needed to justify this number is presented in Table 5. We are using a discount rate of 5% in this case to reflect the location of these projects adjacent to an operating mine with near-term production potential. We believe this location provides a market advantage to their future development over other grassroots exploration stories where we use a 1% value. This table suggests the market is looking for a resource in the range of ~84,250 gold ounces to support the current valuation. This table shows that this resource target estimate based on the Sandra K vein statistics could fit into ~ one “ore shoot” to a plunge length of less than 250 m. This is a very reasonable target for the Company to confirm with its exploration program(s).

Table 5: Market value resource target model

Factors	Units	Values
Market cap	[C\$ M]	\$21.0
Cash+ on hand	[C\$ M]	\$2.9
Enterprise value	[C\$ M]	\$18
Exchange rate	[%]	70.0%
Enterprise value	[US\$ M]	\$12.64
Gold price	[US\$/oz]	3000
Discount rate	[%]	5%
In ground value	[US\$/oz]	\$150.00
Gold target	[oz]	84,249
Intersection	[m]	1.5
True width	[%]	100%
Density	[t/m^3]	2.7
Grade estimated	[g/t]	15
Dimensions (v*h)	[m]	208

Source: Couloir Capital

The Company plans to start a 4,000 m drill program on the Tahami South block in Q2 2025. This work and an additional program in Q2 2025 form the basis for our estimate of value creation for the Company in 2025. A significant factor in value creation for most junior exploration companies is the ability to fund drilling to discovery and outline a mineral resource. Quimbaya's agreement with Independence Drilling S.A. for a total of 100,000 m of drilling ensures that this Company holds the ability to advance its projects significantly, most likely to an initial and second resource stage. The actual requirements in terms of drilling density for defining a resource in this camp are not known. However, there is a significant amount of local information related to this from work at Aris Mining's Segovia operations to support this evaluation. We estimate that it could take from 10,000 to 12,000 m at 50 m centres to outline a single "ore shoot" to a depth of 300 m and outline a resource as estimated in Table 6. For our valuation estimate for the Company, we are again increasing our discount value to 5% for the potential at the Segovia camp due to the developed location, the mine's need for additional feed and the opportunity for faster development to production through local miner contracts. The anticipated work in 2025 supports an initial market target for the stock of \$1.00 per share with a modest discovery premium.

Table 6: Valuation summary for 2025

Resource development		Discount rate 5%		Gold price [\$C/oz] 4,400					
	Scenario	Potential [%]	Strike [m]	Width [m]	Down dip [m]	Density [t/m ³]	Grade [g/t]	Ounces	In situ @ 5% [C\$]
Tahami S	A	40	300	1.2	150	2.7	12	56,251	4,950,080
Q2-2025	B	60	300	1.2	150	2.7	15	70,314	9,281,399
Tahami S	C	50	300	1.2	300	2.7	12	112,502	12,375,199
Q4-2025	D	50	300	1.2	300	2.7	15	140,627	15,468,999
Tahami N	E	25	150	1.5	100	2.7	5	9,766	537,118
Q4-2025	F	25	150	1.5	100	2.7	10	19,532	1,074,236
Potential in situ value generation									43,687,030
Working capital estimate									1,600,000
Book value assets									5,284,437
Total implied company value									50,571,467
Shares outstanding								45,550,739	
Q4 2025	Drilling	10,000	300	[\$/m]	\$0.50	[\$/share]	6,000,000		
Per share implied fair value								Proforma shares	51,550,739
									\$0.98

Source: Relevant Technical & Financial Reports as of 9th August 2023; Couloir Capital



Source: Quimbaya Gold

CONCLUSION

Quimbaya Gold is a purpose-built Colombia gold exploration and development company. The Company used its local team of experts to build its well-located and large exploration land package over the past few years. This work attracted capital and additional high-quality team members. The Company recently acquired a key claim group next to Aris Mining's Segovia project on trend with their highest grade resource and operating Sandra K vein. Initial exploration work and the ongoing local mining indicate the site's gold potential. This site provides the Company with a high probability target for its initial 4,000 m drill program. This meterage is part of a 100,000 m agreement with Colombia's largest drilling contractor and now a Company insider. We expect the Company to confirm the initial indications of the continuation of gold veining on the Tahami South project with this program. On-going work on this claim and the large claim group should provide additional high-grade gold discoveries as it looks to define continuity and compliant resources. The formalization of local miners on their Segovia claim groups could provide a source of cashflow as Aris Mining expands its production rate, requiring additional feed. Based on these positive outcomes, we recommend Quimbaya as a buy with a high-risk profile.



Source: Quimbaya Gold

MAJOR RISKS TO INVESTMENT AND SUCCESS FOR JUNIOR GOLD EXPLORERS IN COLOMBIA

Colombia presents significant opportunities for junior gold explorers due to its rich mineral endowment, but the Country also poses substantial risks that investors and companies must carefully navigate. These risks range from political and regulatory uncertainty to security challenges and environmental concerns.

1. Political and regulatory risks

Colombia's mining sector is heavily influenced by shifting government policies. The country has seen varying degrees of support for the mining industry, with left-leaning administrations often increasing scrutiny on extractive industries. Permitting delays, changes to mining codes, and potential increases in taxes or royalties pose financial and operational risks. For instance, permitting and licensing processes are often slow and bureaucratic, hindering exploration timelines and increasing costs. Additionally, a focus on environmental and social policies can lead to unexpected regulatory changes affecting project feasibility.

2. Security concerns

Despite improvements in national security, Colombia still faces issues related to illegal armed groups and criminal organizations. Some mining regions are affected by guerrilla groups like the National Liberation Army (ELN) and paramilitary factions involved in illegal gold mining. These groups may extort companies or disrupt operations, increasing security costs and potential risks to personnel. Local criminal groups can pose safety concerns for workers and infrastructure even in areas with government presence.

3. Community relations and social license to operate

Gaining community support is critical for mining projects in Colombia. Many rural communities are skeptical of large-scale mining due to past environmental damage, displacement, and insufficient economic benefits. In some cases, communities oppose mining projects through legal challenges or protests, leading to delays or cancellations. Indigenous and Afro-Colombian communities also have legal rights to consultation, which can lead to lengthy negotiations or even outright project rejection.

4. Environmental challenges and opposition

Colombia has strict environmental regulations, and mining projects must pass rigorous environmental impact assessments. Protected areas, water sources, and biodiversity concerns can halt projects or require extensive mitigation plans. Furthermore, environmental activism is strong in Colombia, with NGOs and local movements often opposing mining projects due to concerns over deforestation, water contamination, and ecosystem disruption. Projects near sensitive ecosystems may face insurmountable opposition, leading to legal and reputational risks.

5. Infrastructure and logistics constraints

Many promising gold exploration areas are in remote and undeveloped regions with limited roads, electricity, and water infrastructure access. Poor infrastructure can lead to higher operational costs, logistical challenges, and increased project timelines. The lack of well-maintained roads and power grids means junior explorers may have to invest heavily in basic infrastructure before advancing their projects.

6. Funding and market volatility

Junior mining companies rely on capital markets to fund exploration and development. Market downturns, investor sentiment, and fluctuating gold prices can affect a company's ability to raise funds. Economic instability globally and in Colombia can impact investment flows, making it difficult for explorers to sustain operations and advance projects without dilution or financial strain.

Despite its vast mineral potential, Colombia presents significant challenges for junior gold explorers. Companies must navigate regulatory hurdles, security risks, community relations, environmental opposition, and infrastructure constraints while maintaining financial stability. Those who successfully manage these risks through strong governance, local partnerships, and adaptive strategies have the best chance of long-term success.

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