

Ticker: GMIN CN**Cash 3Q24:** US\$105m**Project:** TZ/CG/OW**Market cap:** C\$2.8bn**Price:** C\$12.63/sh**Country:** Brazil/Guyana

REC. (unc): BUY

TARGET (unc): C\$16.10/sh

RISK RATING (unc): HIGH

Production in 4Q24 is a beat on our estimates. We modelled 30.4koz in 4Q24 (the lower end of guidance) vs reported production of 40.1koz. The beat is driven mainly by a +21% grade boost QoQ at 1.45g/t (vs SCPe 1.2g/t). Notably, the mill is performing well, with 4Q mill throughput (968kt total milled) and recovery (89.2%) seeing a +35% and +6% increase QoQ, respectively. The biggest delta to our estimates is the strip ratio during the quarter, which dropped -69% to 0.97:1 as more ore above cut-off was mined than expected. This likely allowed the company to stockpile ore and process higher-grade material through the mill this quarter compared to the ramp-up phase last quarter. Looking ahead – whilst full financials are pending, we estimate even 39.9koz of gold sold could generate ~US\$102-106m in potential revenue at US\$2,550-2,650/oz gold prices, which assuming an AISC of US\$1,230/oz in line with the prior quarter would imply ~US\$52-57m of FCF. For now, we look to the upcoming 2025 guidance (first full year of production) to refine our estimates on production and costs. As such, we leave our model unchanged and **maintain our BUY rating and our C\$16.10/sh PT** – putting the stock at ~0.58xNAV_{5%-2,000}. Stepping back, as GMIN continues to build an operational track record at TZ and Oko West moving towards a construction decision as early as mid-year 2025, we think the company will attract further market visibility in 2025 to close the valuation gap between peers.

Table 1. G Mining Tocantinzinho operational metrics against prior quarter and SCP estimates

TZ Operations	3Q24A	4Q24E	4Q24A	vs. SCPe
Gold produced (000oz)	22.1	30.4	40.1	32%
Gold sold (000oz)	17.1	30.4	39.9	31%
Ore mined (000t)	1,841	900	2,164	140%
Strip ratio (x)	1.55	3.17	0.97	-69%
Ore milled (000t)	716	900	968	8%
Head grade (g/t)	1.20	1.20	1.45	21%
Recovery (%)	84.5%	87.6%	89.2%	2%

Source: G Mining Ventures, SCPe

4Q24 production beat at TZ driven by higher grades and strong mill ramp up; 39.9koz sold in 4Q

Today, G Mining Ventures reports 4Q24 Tocantinzinho Gold Mine (TZ) production numbers and provided an update on 2024 achievements.

TZ Operations: Mined tonnes (ore + waste) totaled 4.3Mt including 2.2Mt ore mined at a 0.97:1 strip. Recoveries of 89.2% were reported. The plant processed 968kt of ore at a throughput of 10,523tpd and head grade of 1.45g/t with recoveries of 89.2% resulting in 40.1koz of gold produced and 39.9koz of gold sold. In Q4 the plant achieved several days >100% nameplate capacity with plant availability and capacity on schedule and ramping up towards nameplate capacity (12,890 tpd) by 1Q25. In 2024, total ore mined was 6.4Mt at a 1:1.23 strip. The plant processed 1,713kt of ore at a throughput of 8,697tpd and head grade of 1.33g/t with recoveries of 87.0% resulting in total gold produced of 63.6koz and gold sold of 57.1koz.

2024 Highlights: GMIN announced the first gold poured and achieved commercial production at TZ in 3Q24 on time and on budget. The team added Oko West Gold and CentroGold to its portfolio in mid and end of 2024, respectively. Additionally, GMIN released a PEA for Oko West and grew its minerals resource base from 2,152koz Au to 10,308koz Au. GMIN also raised ~C\$101m in proceeds resulting in a cash balance of ~C\$105m as of 3Q24.

Why we like G Mining

1. Best in class mine build team turned owner / operator
2. Vanilla open pit gold mine with scarcity value given 150-190koz pa production at TZ
3. Accretive Oko West acquisition unlocks growth towards 500koz+ production in CY28
4. Strong cash flow potential, growing towards >US\$500m pa FCF long term from two mines

Catalysts

- 1Q25: Commencement of early works, TZ nameplate capacity, 2025 guidance, and MRE
- 2Q25: Oko FS and full permit, Oko financing
- 2H25: Oko FID
- 2H27/1H28: Oko W commissioning / commercial production

Research

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Ticker: GMIN CN	Price, MC:	C\$12.63/sh, C\$2802m	Project PNAV today:	0.58x	Asset:	TZ / Oko W
Author: B Gaspar	Rec, 0.9xNAV PT:	BUY, C\$16.1/sh	1xNAV _{1Q25} FF FD:	C\$21.37/sh	Country:	Brazil / Guyana

Commodity price	CY22A	CY23A	CY24E	CY25E	CY26E	M&I&I/P&P/Inventory:	Tonnes (Mt)	Grade	Ounces
Gold price	1,759	1,948	2,400	2,455	2,124	Tocantinzinho 1Q22 MRE	49.7	1.35g/t	2152koz

SOTP project valuation*	US\$m	O/ship	NAVx	C\$/sh	Oko West 1Q24 MRE	72.2	2.03g/t	4725koz
TZ NPV@ 1Q25	1,777	100%	0.90x	9.67	CentroGold Blanket & Contact 2Q19 MRE	28.3	1.88g/t	1710koz
Oko West NPV ungeared @ build start	1,471	100%	0.85x	7.56	CentroGold Chega Tudo 4Q17 MRE	11.3	1.60g/t	582koz

CentroGold SCP nominal	655	100%	0.20x	0.79	Global MRE	161.5	1.8g/t	9.2Moz
Cash 3Q24	105	100%	1.00x	0.63	Tocantinzinho 1Q22 P&P	48.7	1.30g/t	2042koz
Debt 3Q24	(113)	100%	1.00x	(0.69)	Oko West 3Q24 PEA Inventory	74.8	2.0g/t	4,484koz
Cash from options	38	100%	1.00x	0.23	CentroGold 2Q19 P&P	20.0	1.7g/t	1,100koz
Resources ex inventory @ US\$50/oz	77	100%	1.00x	0.47	Project: USES	Funding: SOURCES		
Greenheart investment (book value)	15	100%	1.00x	0.09	Oko West capex (US\$m):	US\$936m	Cash 3Q24 (US\$m):	US\$105m
G&A / fin / stream costs	(442)	100%	1.00x	(2.67)	Working capital (US\$m):	US\$30m	Options (US\$m):	US\$38m
Asset NAV5% US\$2000/oz	3,582			16.08	G&A + exploration to Oko W FID:	US\$38m	SCPe TZ FCF to 1st Au (US\$m):	US\$692m
					SCPe debt repay/mt (US\$m):	US\$5m	SCPe Oko build funding (US\$m):	--

*Shares diluted for options mine build Market P/NAV_{5%} today 0.58x

Company NAV: (US\$m, ungeared)* TOTAL USES: US\$1010m TOTAL SOURCES: US\$834m

Buffer: -US\$176m

Company NAV (US\$m)	\$1750oz	\$1850oz	\$2000oz	\$2500oz	\$2800oz	Capital structure	Basic	FD for Options	FD for build
Discount rate: 9%	1,993	2,290	2,735	4,219	5,110	Shares out (m)	221.9	232.1	232.1
Discount rate: 7%	2,297	2,626	3,120	4,767	5,755	Ratio analysis (CY to Dec 31)	CY22A	CY23A	CY24E
Discount rate: 5%	2,662	3,030	3,582	5,423	6,527	Average shares out (m)	336.1	447.5	366.4
Ungeared project IRR:	32%	33%	36%	43%	47%	EPS (US\$/sh)	-	-	0.13
Company NAV (C\$/sh)	\$1750oz	\$1850oz	\$2000oz	\$2500oz	\$2800oz	CFPS (US\$/sh)	-	-	0.72
Discount rate: 9%	8.73	10.09	12.12	18.91	22.98	EV (US\$m)	4,163.7	5,632.1	4,575.8
Discount rate: 7%	10.13	11.65	13.92	21.48	26.02	FCF yield (%)	-	-	6%
Discount rate: 5%	11.83	13.53	16.08	24.59	29.69	PER (x)	-	-	98.7x
						EV/EBITDA (x)	-	-	61.9x

*Project NPV, ex fin. costs and cent G&A, discounted to build start

Group NAV over time^	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Income statement	CY22A	CY23A	CY24E	CY25E	CY26E
TZ NPV net ag'n prnt (US\$m)	1,777.4	1,625.5	1,465.0	1,325.8	1,118.4	Net revenue (US\$m)	-	-	149.3	358.1	388.4
Oko W NPV (US\$m)	1,406.1	1,480.8	2,049.1	2,639.6	2,464.4	COGS (US\$m)	-	-	50.0	103.1	132.2
CentroGold NPV (US\$m)	655.1	655.1	655.1	655.1	655.1	Gross profit (US\$m)	-	-	99.3	254.9	256.2
G&A and fin. costs (US\$m)	(442.1)	(400.1)	(353.1)	(296.2)	(224.7)	D&A, attrib (US\$m)	0.1	0.1	17.5	57.2	62.5
Net cash prior qt (US\$m)	51.9	344.9	39.9	(301.6)	162.9	G&A + sh based costs (US\$m)	5.0	7.5	9.3	9.3	9.3
Cash from options (US\$m)	37.7	37.7	37.7	37.7	37.7	Expln + fin. cost (US\$m)	(3.2)	(0.4)	20.4	50.3	53.3
Resource ex rsrv (US\$m)	77.2	77.2	77.2	77.2	77.2	Taxes (US\$m)	-	-	5.3	31.8	30.9
Greenheart investment (US\$m)	15.0	15.0	15.0	15.0	15.0	Net income (US\$m)	(1.9)	(7.2)	46.9	106.3	100.2
NAV FF FD (US\$m)	3,578	3,836	3,986	4,153	4,306	EBITDA (US\$m)	(1.8)	(7.1)	73.9	205.0	203.2
FF FD Shares in issue (m)	235	245	245	245	245	Cash flow, attrib.	CY22A	CY23A	CY24E	CY25E	CY26E
1xNAV5%/sh FF FD (C\$/sh)*	21.37	21.95	22.81	23.76	24.64	Add D&A / share bsd (US\$m)	1.4	1.8	22.0	57.8	63.1

Gearred NAV and PT, diluted for build, net G&A and fin. costs^

Group NAV (US\$m)						Adjust fin. cost (US\$m)					
	\$1750oz	\$1850oz	\$2000oz	\$2500oz	\$2800oz						
Discount rate: 9%	2,013	2,297	2,722	4,138	4,989	Change in wkg cap (US\$m)	0.9	9.3	40.3	(4.9)	(7.9)
Discount rate: 7%	2,315	2,632	3,108	4,694	5,646	Other non-cash (US\$m)	(3.7)	235.0	(83.4)	9.8	15.7
Discount rate: 5%	2,683	3,041	3,578	5,369	6,443	Cash flow ops (US\$m)	(3.3)	239.0	27.8	168.9	171.1
Gearred project IRR:	31%	33%	36%	43%	47%	PP&E - build + sust (US\$m)	66.2	300.5	112.8	6.0	476.1
Price target (C\$/sh)*	\$1750oz	\$1850oz	\$2000oz	\$2500oz	\$2800oz	PP&E - expl'n (US\$m)	13.7	4.1	1.1	-	-
Discount rate: 9%	12.03	13.72	16.26	24.72	29.80	Cash flow inv. (US\$m)	(79.9)	(304.6)	(113.9)	(6.0)	(476.1)
Discount rate: 7%	13.83	15.72	18.57	28.04	33.73	Share issue (US\$m)	128.5	0.0	123.3	130.0	-
Discount rate: 5%	16.03	18.17	21.37	32.07	38.49	Debt draw (repay) (US\$m)	(1.1)	31.3	74.2	(0.6)	(2.2)
						Cash flow fin. (US\$m)	127.4	31.3	197.5	129.4	(2.2)

^Project NPV incl grp SG&A & fin. cost, +net cash; *diluted for build equity

Production	CY24	CY25	CY26	CY27	CY28	Balance sheet	CY22A	CY23A	CY24E	CY25E	CY26E
TZ production (000oz)	62	148	182	183	218	Cash (US\$m)	81.9	52.4	165.3	457.7	150.5
Oko W production (000oz)	-	-	-	-	313	Acc rec., inv, prepaid (US\$m)	1.3	9.8	48.3	44.1	35.8
TZ AISC (US\$/oz)	982	720	755	743	640	PP&E + other (US\$m)	173.4	525.6	1,350.9	1,299.7	1,713.2
Oko W AISC (US\$/oz)	-	-	-	-	953	Total assets (US\$m)	257	588	1,564	1,801	1,900
Total AISC (US\$/oz)	982	720	755	743	824	Debt (US\$m)	0.4	32.3	113.3	112.8	110.5
						Accounts payable (US\$m)	12.2	27.0	16.1	16.8	16.4
						Stream liab / oth (US\$m)	2.7	265.3	330.5	330.5	330.5
						Total liabilities (US\$m)	15.3	324.7	460.0	460.1	457.5
						Issued capital (US\$m)	250.1	239.0	1,097.6	1,228.1	1,228.7
						Retained earnings (US\$m)	(8.8)	24.1	6.9	113.2	213.3
						Liabilities + equity (US\$m)	257	588	1,564	1,801	1,900

Source: SCP estimates

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TOTAL	45

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