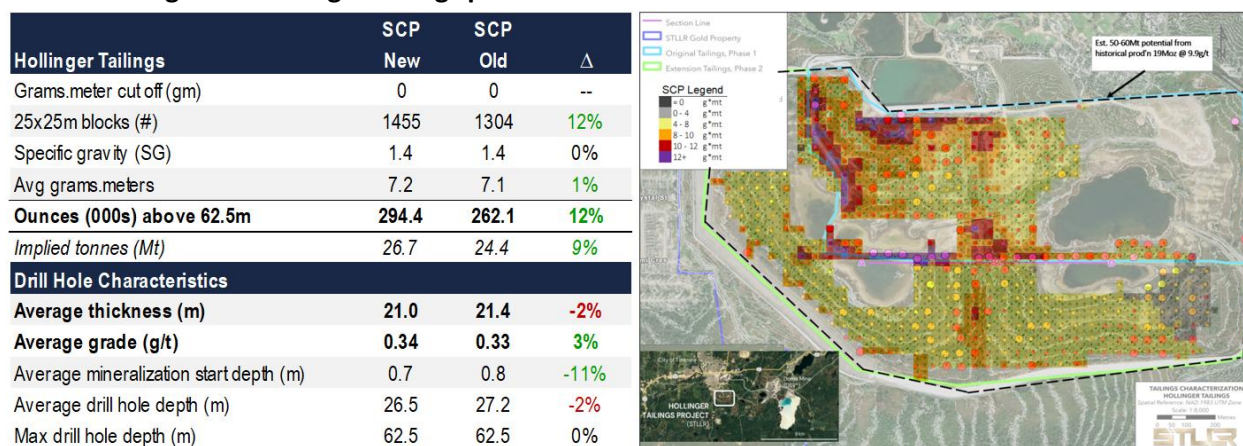


Ticker: STLR CN **1Q25 cash:** C\$24.7m **Project:** Tower Gold; Hollinger / Colomac
Market cap: C\$107m **Price:** C\$0.86/sh **Country:** Canada (Timmins / NWT)
REC. (unc): BUY **TARGET (unc):** C\$3.40/sh **RISK RATING (unc):** HIGH

Today's final results from Hollinger Tailings project adds ~32koz by our estimates, lifting our total estimate to ~294koz 'drilled' ahead of the MRE. While the grades are averaging 0.34g/t, we estimate 86koz at 0.50g/t at a nominal 9.0 gram-meter cutoff concentrated in the northern portion of Hollinger in Phase 1. Importantly, it appears ~40% of the potential target remains untested and therefore excluded from our estimates, so we think there is potential to add another ~100-150koz. More key is the upcoming metallurgical test work ahead of the 2H25 MRE, and we await the results before updating our model. Bottom line – we continue to view Hollinger as a 'free option' at the company's current market cap and could be a potential funding opportunity for Tower. For now, **we maintain our BUY rating and C\$3.40/sh PT** based on 0.1xNAV5%-3,000 for our SOTP valuation. STLLR remains attractively valued, trading at just US\$4/oz M&I for its large 16Moz global MRE vs pre-PFS peer developers at US\$45/oz and at only US\$11/oz on an inventory basis vs >US\$73/oz, a gap we think closes with catalysts on the horizon, as Tower advances through engineering / permitting and Hollinger advances through MREs and Met studies.

Figure 1. Hollinger tailings plan view & SCP resource estimate for results to date



Source: STLLR Gold, modified by SCP

Hollinger tailings drilling, 23.7m @ 0.7g/t Au from surface; progressing to MRE and Met testing

Today, STLLR Gold reported on the final 106 drilling results from the 423 completed sonic drill holes. Highlights from today's results include **23.7m @ 0.70g/t Au**, **25.4m @ 0.54g/t** (incl. 13.4m @ 0.64g/t) and **26.4m @ 0.52g/t** (incl. 14.0m @ 0.61g/t) all from surface. STLLR is observing higher-than-average grades in northern Hollinger (phase 1). Overall results support continued advancement to an MRE and Met testing with both results expected in 2H25. Certain areas, including the ponds and the eastern part of Phase 1, still need to be studied in future phases to improve the dataset.

Why we like STLLR

1. Large 16Moz global resource endowment in Canada across two assets
2. Flagship Tower Gold: 5.2Moz PEA inv. / 273koz pa, on infrastructure near Timmins ON
3. Colomac PEA: 2.6Moz @ 1.3g/t OP pitable / 782koz @ 4.1g/t UG for >300koz pa in NWT
4. Control >1,000km² in prime underexplored Archean greenstone belts

Catalysts

- 2025: Drilling at Tower incl. Jonpol and Garrcon
- 2025: Permitting progress at Tower and Colomac
- 2025: Hollinger tailings resource, metallurgy, and development plans
- 2027: Tower PFS

Research

Brandon Gaspar (Toronto) m +1 437 533 3142 bgaspar@scp-rf.com

Omeet Singh (Toronto) m +1 647 527 7509 osingh@scp-rf.com

Moatasm Almaouie (Toronto) m +1 780 299 5151 malmaouie@scp-rf.com

Ticker: STLR CN	Price / mkt cap: C\$0.86/sh, C\$107m	Project PNAV today: 0.03x	Asset: Tower, Hollinger/Colomac
Author: B Gaspar	Rec / 0.1xNAV PT BUY, C\$3.4/sh	1xNAV today, FD: C\$34.17/sh	Country: Canada: ON / NWT

Commodity price	CY24A	CY25E	CY26E	CY27E	CY28E
Gold price	2,387	3,039	3,050	3,004	3,000
Project SOTP valuation*					

	C\$m	O/ship	NAVx	C\$/sh
Tower Gold proj @ build start	2,347	100%	0.1x	1.57
Colomac project @ build start	2,311	100%	0.1x	1.55
1Q25 Cash	24.7	100%	0.1x	0.02
Cash from options	37.0	100%	0.1x	0.02
NPV of Hollinger Tailings Project	376	100%	0.1x	0.25
Asset NAV5% US\$3000/oz	5,096		PT:	3.40

*Diluted for options but not mine build Market P/NAV5% 2025 0.03x

Asset value: 1xNPV project @ build start (C\$m, ungeared)*

Combined Project NPV (C\$m)*	\$2500oz	\$2800oz	\$3000oz	\$3400oz	\$3800oz
10.0% discount	644	1,635	2,290	3,592	4,883
7.5% discount	1,335	2,515	3,295	4,845	6,379
5.0% discount	2,285	3,714	4,658	6,534	8,390
Ungeared project IRR:	11%	15%	17%	21%	25%
0.1xNAV (C\$/sh) *	\$2500oz	\$2800oz	\$3000oz	\$3400oz	\$3800oz
10.0% discount	0.75	1.40	1.85	2.70	3.55
7.5% discount	1.20	2.00	2.50	3.55	4.55
5.0% discount	1.85	2.80	3.40	4.65	5.90

*Project level NPV, excl finance costs and central SGA, discounted to build start

Share data

	Basic	FD	FF FD
Basic in issue (m)	123.9	149.1	209.8

Group valuation over time^

	Sep-25	Sep-26	Sep-27	Sep-28	Sep-29
Tower Gold Project NPV (C\$m)	2,077	2,181	2,458	3,047	2,458
Colomac Project NPV (C\$m)	1,043	1,361	1,694	2,044	2,146
G&A and finance costs (C\$m)	(580)	(596)	(619)	(643)	(664)
Net cash prior qtr (C\$m)	16	81	75	68	720
Cash from options (C\$m)	37	37	37	37	37
NAV FF FD (C\$m)	2,593	3,065	3,644	4,553	4,697
Shares in issue (m)	123.9	127.6	127.6	127.6	127.6
1xNAV5%/sh FF FD (C\$/sh)	20.92	24.02	28.56	35.68	36.81
Equity ROI from spot (% pa)	393%	2693%	476%	246%	156%

Company value: Geared NAV diluted for mine build, net G&A and finance cost

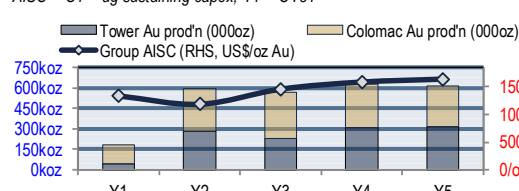
1xNAV FF FD (C\$/sh)^	\$2500oz	\$2800oz	\$3000oz	\$3400oz	\$3800oz
10.0% discount	816	1,798	2,447	3,737	5,014
7.5% discount	1,457	2,628	3,401	4,939	6,460
5.0% discount	2,342	3,761	4,697	6,558	8,399
Geared project IRR:	9%	13%	15%	19%	22%
1xNAV FF FD (C\$/sh)^	\$2500oz	\$2800oz	\$3000oz	\$3400oz	\$3800oz
10.0% discount	5.78	13.53	18.71	29.07	39.35
7.5% discount	10.84	20.18	26.38	38.74	51.00
5.0% discount	17.91	29.28	36.81	51.80	66.63

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

Production

	Y1	Y2	Y3	Y4	Y5
Tower Au production (000oz)	43	286	233	310	316
Colomac Au production (000oz)	139	309	335	318	295
Group Au production (000oz)	182	595	568	628	611
Tower AISC cost (US\$/oz)	1,899	1,262	1,611	1,489	1,501
Colomac AISC cost (US\$/oz)	1,167	1,125	1,359	1,686	1,792
Group AISC cost (US\$/oz)	1,341	1,191	1,462	1,589	1,641

AISC = C1 + ug sustaining capex, Y1 = CY31



Source: SCP estimates

Resources	Au (koz)	Au (g/t)	%M&I
Tower Gold MRE	10,963koz	1.19g/t	35%
Colomac MRE	5,089koz	1.68g/t	67%

Global resource	16,052koz	1.15g/t	43%
-----------------	-----------	---------	-----

PEA INVENTORY

	Au (koz)	Au (g/t)
Tower OP inventory	3,638koz	0.75g/t
Tower UG inventory	2,011koz	2.35g/t
Colomac OP inventory	2,600koz	1.32g/t
Colomac UG inventory	782koz	4.12g/t

Funding: uses

		Funding: sources	
Mine build capex	C\$1873m	Cash + ITM options	C\$62m
SCPe G&A to 1st Au	C\$45m	DFS / Mine build equity (C\$m)	C\$829m
SCPe pre-production exp'n	C\$9m	Build debt @ 60% of PP&E (C\$m)	C\$1124m
SCPe fin. costs + wkg cap	C\$291m	Total proceeds	C\$2015m
Total uses	C\$2217m		

Ratio analysis

	CY24A	CY25E	CY26E	CY27E	CY28E
Average shares out (m)	100.6	124.4	127.6	127.6	127.6
EPS (C\$/sh)	-	-	-	-	-
CFPS (C\$/sh)	-	-	-	-	-
EV (C\$m)	54.2	50.7	30.1	36.7	(571.2)
FCF yield (%)	-	-	-	-	-
PER (x)	-	-	-	-	-
P/CF (x)	-	-	-	-	-
EV/EBITDA (x)	-	-	-	-	-

Income statement

	CY24A	CY25E	CY26E	CY27E	CY28E
Net revenue (C\$m)	-	-	-	-	-
COGS (C\$m)	-	-	-	-	-
Gross profit (C\$m)	-	-	-	-	-
D&A, attrib (C\$m)	-	0.0	-	-	-
Group G&A (C\$m)	7.1	6.6	6.6	6.6	6.6
Finance cost (C\$m)	-	-	-	-	25.0
Taxes (C\$m)	-	-	-	-	-
Net income (C\$m)	(7.1)	(6.7)	(6.6)	(6.6)	(31.6)
EBITDA (C\$m)	(21.0)	(22.4)	(6.6)	(6.6)	(6.6)

Cash flow, attrib.

	CY24A	CY25E	CY26E	CY27E	CY28E
EBIT (C\$m)	(7.1)	(6.7)	(6.6)	(6.6)	(6.6)
Add back D&A (C\$m)	-	0.0	-	-	-
Less tax (C\$m)	-	-	-	-	25.0
Change in wkg cap (C\$m)	1.6	2.1	-	-	-
Add back other (C\$m)	(19.3)	(21.3)	-	-	(50.0)
Cash flow ops (C\$m)	(24.8)	(25.8)	(6.6)	(6.6)	(31.6)
PP&E - build + sust. (C\$m)	(0.1)	(0.0)	-	-	(103.0)
PP&E - exp'n (C\$m)	(0.0)	(0.1)	-	-	-
Cash flow inv. (C\$m)	(0.1)	(0.1)	-	-	(103.0)
Share issue (C\$m)	23.3	50.0	30.0	-	-
Debt draw (repay) (C\$m)	-	-	-	-	700.0
Cash flow fin. (C\$m)	23.3	50.0	30.0	-	700.0
Net change in cash (C\$m)	(1.6)	24.0	23.4	(6.6)	565.4

Balance sheet

	CY24A	CY25E	CY26E	CY27E	CY28E
Cash (C\$m)	32.3	56.3	79.6	73.0	1,380.9
Acc rec., inv, prepaid (C\$m)	1.3	2.2	2.2	2.2	2.2
PP&E + other (C\$m)	95.3	95.5	95.5	95.5	198.5
Total assets (C\$m)	129.0	154.0	177.4	170.7	1,581.6
Debt (C\$m)	-	-	-	-	700.0
Accounts payable (C\$m)	2.4	1.1	1.1	1.1	1.1
Others (C\$m)	8.1	4.9	4.9	4.9	4.9
Total liabilities (C\$m)	10.4	6.0	6.0	6.0	706.0
Sh'hlds equity + wrmts (C\$m)	236.8	287.8	317.8	317.8	1,067.0
Retained earn'gs + rsvs (C\$m)	(118.3)	(139.8)	(146.5)	(153.1)	(191.4)
Liabilities + equity (C\$m)	129.0	154.0	177.4	170.7	1,581.6

DISCLOSURES & DISCLAIMERS

This research report (as defined under IIROC Rule 3600, Part B) is issued and approved for distribution in Canada by SCP Resource Finance LP ("SCP"), an investment dealer who is a member of the Investment Industry Regulatory Organization of Canada ("IIROC") and the Canadian Investor Protection Fund ("CIPF"). This research report is provided to retail clients and institutional investors for information purposes only. The opinions expressed in this report are the opinions of the author and readers should not assume they reflect the opinions or recommendations of SCP's research department. The information in this report is drawn from sources believed to be reliable but the accuracy or completeness of the information is not guaranteed, nor in providing it does SCP or persons assume any responsibility or liability whatsoever. This report is not to be construed as an offer to sell or a solicitation of an offer to buy any securities. SCP accepts no liability whatsoever for any loss arising from any use or reliance on this research report or the information contained herein. Past performance is not a guarantee of future results, and no representation or warranty, expressed or implied, is made regarding future performance of any security mentioned in this research report. The price of the securities mentioned in this research report and the income they generate may fluctuate and/or be adversely affected by market factors or exchange rates, and investors may realize losses on investments in such securities, including the loss of investment principal. Furthermore, the securities discussed in this research report may not be liquid investments, may have a high level of volatility or may be subject to additional and special risks associated with securities and investments in emerging markets and/or foreign countries that may give rise to substantial risk and are not suitable for all investors. SCP may participate in an underwriting of, have a position in, or make a market in, the securities mentioned herein, including options, futures or other derivatives instruments thereon, and may, as a principal or agent, buy or sell such products.

DISSEMINATION OF RESEARCH: SCP's research is distributed electronically through email or available in hard copy upon request. Research is disseminated concurrently to a pre-determined list of clients provided by SCP's Institutional Sales Representative and retail Investment Advisors. Should you wish to no longer receive electronic communications from us, please contact unsubscribe@scp-rf.com and indicate in the subject line your full name and/or corporate entity name and that you wish to unsubscribe from receiving research.

RESEARCH ANALYST CERTIFICATION: Each Research Analyst and/or Associate who is involved in the preparation of this research report hereby certifies that:

- The views and recommendations expressed herein accurately reflect his/her personal views about any and all of the securities or issuers that are the subject matter of this research report;
- His/her compensation is not and will not be directly related to the specific recommendations or view expressed by the Research analyst in this research report;
- They have not affected a trade in a security of any class of the issuer within the 30-day period prior to the publication of this research report;
- They have not distributed or discussed this Research Report to/with the issuer, investment banking group or any other third party except for the sole purpose of verifying factual information; and
- They are unaware of any other potential conflicts of interest.

UK RESIDENTS: SCP Partners UK Limited ("SCP UK") is an appointed representative of PillarFour Securities LLP which is authorized and regulated by the Financial Conduct Authority. This document has been approved under section 21(1) of the FMSA 2000 by PillarFour Securities LLP ("PillarFour") for communication only to eligible counterparties and professional clients as those terms are defined by the rules of the Financial Conduct Authority. Its contents are not directed at UK retail clients. PillarFour does not provide investment services to retail clients. PillarFour publishes this document as non-independent research which is a marketing communication under the Conduct of Business rules. It has not been prepared in accordance with the regulatory rules relating to independent research, nor is it subject to the prohibition on dealing ahead of the dissemination of investment research. It does not constitute a personal recommendation and does not constitute an offer or a solicitation to buy or sell any security. SCP UK and PillarFour consider this note to be an acceptable minor non-monetary benefit as defined by the FCA which may be received without charge. This is because the content is either considered to be commissioned by SCP UK's clients as part of their advisory services to them or is short term market commentary. Neither SCP UK nor PillarFour nor any of its directors, officers, employees or agents shall have any liability, howsoever arising, for any error or incompleteness of fact or opinion in it or lack of care in its preparation or publication; provided that this shall not exclude liability to the extent that this is impermissible under the law relating to financial services. All statements and opinions are made as of the date on the face of this document and are not held out as applicable thereafter. This document is intended for distribution only in those jurisdictions where PillarFour is permitted to distribute its research.

IMPORTANT DISCLOSURES FOR U.S. PERSONS: This research report was prepared by SCP Resource Finance LP ("SCP"), a company authorized to engage in securities activities in Canada. SCP is not a registered broker/dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution to "major U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"). Any U.S. recipient of this research report wishing to effect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only through Sprott Global Resource Investments Ltd. ("SGRIL"), a broker dealer in the United States registered with the Securities Exchange Commission ("SEC"), the Financial Industry Authority ("FINRA"), and a member of the Securities Investor Protection Corporation ("SIPC"). Under no circumstances should any recipient of this research report effect any transaction to buy or sell securities or related financial instruments through SCP.

SGRIL accepts responsibility for the contents of this research report, subject to the terms set out below, to the extent that it is delivered to a U.S. person other than a major U.S. institutional investor. The analyst whose name appears in this research report is not licensed, registered, or qualified as a research analyst with FINRA and may not be an associated person of SGRIL and, therefore, may not be subject to applicable restrictions under FINRA Rule 2241 regarding communications by a research analyst with a subject company, public appearances by the research analyst, and trading securities held by a research analyst account. To make further inquiries related to this report, United States residents should contact their SGRIL representative.

ANALYST CERTIFICATION / REGULATION AC: The analyst and associate certify that the views expressed in this research report accurately reflect their personal views about the subject securities or issuers. In addition, the analyst and associate certify that no part of their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

SCP RESOURCE FINANCE EXPLANATION OF RECOMMENDATIONS: Should SCP issue research with recommendations, the research rating guidelines will be based on the following recommendations:

BUY: The stocks total returns are expected to be materially better than the overall market with higher return expectations needed for more risky securities markets

NEUTRAL: The stock's total returns are expected to be in line with the overall market

SELL: The stocks total returns are expected to be materially lower than the overall market

TENDER: The analyst recommends tendering shares to a formal tender offering

UNDER REVIEW: The stock will be placed under review when there is a significant material event with further information pending; and/or when the research analyst determines it is necessary to await adequate information that could potentially lead to a re-evaluation of the rating, target price or forecast; and/or when coverage of a particular security is transferred from one analyst to another to give the new analyst time to reconfirm the rating, target price or forecast.

NOT RATED (N/R): The stock is not currently rated

Research Disclosure		Response
1	SCP collectively beneficially owns 1% or more of any class of the issuer's equity securities ¹	NO
2	The analyst or any associate of the analyst responsible for the report or recommendation or any individual directly involved in the preparation of the report holds or is short any of the issuer's securities directly or through derivatives	NO
3	An SCP partner, director, officer or analyst involved in the preparation of a report on the issuer, has during the preceding 12 months provided services to the issuer for remuneration other than normal course investment advisory or trading execution services	NO
4	SCP has provided investment banking services for the issuer during the 12 months preceding the date of issuance of the research report or recommendation	YES
5	Name of any director, officer, employee or agent of SCP who is an officer, director or employee of the issuer, or who serves in an advisory capacity to the issuer	NO
6	SCP is making a market in an equity or equity related security of the issuer	NO
7	The analyst preparing this report received compensation based upon SCP's investment banking revenue for the issuer	NO
8	The analyst has conducted a site visit and has viewed a major facility or operation of the issuer	YES
9	The analyst has been reimbursed for travel expenses for a site visit by the issuer	NO

SCP Resource Finance Equity Research Ratings:

Summary of Recommendations as of August 2025	
BUY:	52
HOLD:	0
SELL:	0
UNDER REVIEW:	1
TENDER:	0
NOT RATED:	0
TOTAL	53

¹ As at the end of the month immediately preceding the date of issuance of the research report or the end of the second most recent month if the issue date is less than 10 calendar days after the end of the most recent month