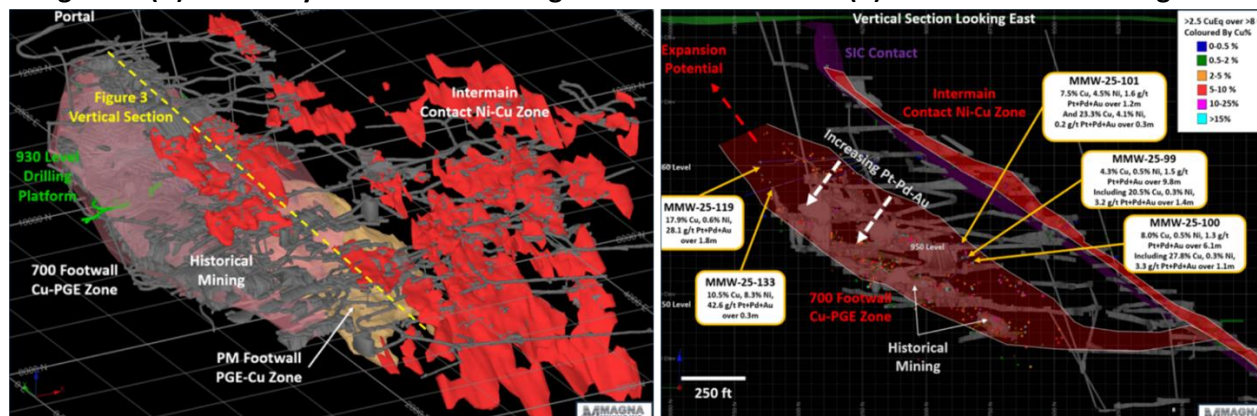


**Ticker:** NICU CN      **1Q25:** C\$38m      **Project:** Sudbury Assets  
**Market cap:** C\$352m      **Price:** C\$1.73/sh      **Country:** Canada, ON  
**REC. (unc):** BUY      **TARGET (unc):** C\$3.10/sh      **RISK RATING (unc):** HIGH

Today's drill results from 43 holes (101 pierce points, one hole pending), focused up dip and within the main 700 Cu-PGE Footwall Zone returned strong results overall, averaging **2.0m @ 5.9% CuEq** (6.7% CuEq, 63-15-8-8-5 / Cu-Ni-Au-Pd-Pt at spot). Digging in, widths ranged from 0.3m to 12.2m, with CuEq grade reaching up to an impressive 40.7%. While mostly infill, the standout hits including thick **4.6m @ 15.3% CuEq** and **6.1m @ 8.8%** speak positively to the areas currently in the mine plan (coming quarters), while the up-dip narrower high-grade hits (i.e. **0.3m @ 38.6% CuEq** and **1.8m @ 25.0%**) signal new additions outside the current mine plan, which could be mined more selectively as a high margin opportunity. For example, today's 0.3m @ 38.6% headline dilutes to a still impressive 7.7% CuEq over a mineable 1.5m at face value (significantly higher than the planned 2.9-4.4% grades guided over the coming quarters, albeit more drilling is needed). **Bottom line** – drilling continues to support the main thesis here of exploration growth in step with a production ramp up over the coming quarters ahead of a 2026 mine plan update. As such, we **maintain our BUY rating and C\$3.10/sh PT**, based on a ~C\$1.1bn SOTP valuation for the group at 0.7x NAV7% using US\$4.05/lb Cu LT for the Sudbury assets. Stepping back, this remains a ramp-up year for Magna, with reinvestment driving development to unlock higher output in 2026. Magna is among the select few copper production growth stories in a fully permitted tier-I North American camp, with high-grades and a competitively low capital intensity.

**Figure 1. (A) McCreedy West Mine showing mineralized zones and (B) vertical section looking east**



Source: Magna Mining

### Near mine 4.6m @ 15.3% CuEq; up dip 0.3-1.8m @ 25-38.6% extensions point to new zone

Today, Magna reported drill results from the McCreedy West Mine. A total of 44 drillholes / 101 pierce points were reported. Overall highlights from today's drilling include **4.6m @ 15.28% CuEq** (14.46% Cu, 0.49% Ni, 2.59g/t 2PGE + Au) from 49m, **6.1m @ 8.78% CuEq** (7.99% Cu, 0.52% Ni, 1.25g/t 2PGE + Au) and **9.75m @ 5.29% CuEq** (4.26% Cu, 0.48% Ni, 1.50g/t 2PGE + Au). Other narrow and high-grade hits include **0.3m @ 40.71% CuEq** (29.80% Cu, 2.97% Ni, 29.58g/t 2PGE + Au) and **0.3m @ 32.96% CuEq** (0.93% Cu, 20.30% Ni, 3.63g/t 2PGE + Au). The widest hit recorded was **12.2m @ 3.30% CuEq** (2.61% Cu, 0.40% Ni, 0.68g/t 2PGE + Au). Up-dip holes 119 and 133 returned **1.8m @ 25.02% CuEq** (17.86% Cu, 0.56% Ni, 28.10g/t 2PGE + Au) and **0.3m @ 38.58% CuEq** (10.47% Cu, 8.28% Ni, 42.56g/t 2PGE + Au). Currently, two underground rigs are active at McCreedy West: one is focused on definition and infill drilling to support near- to mid-term production and optimize stope design, while the other is targeting definition and expansion in areas outside the current mine plan. Additionally, development on the 930 Level is on schedule to establish new drill platforms, with drilling on the western side of the 700 Zone expected later this year to test for extensions toward the historic Hardy/Boundary deposit.

**Why we like Magna Mining Inc**

1. Explorer turned copper producer with blue sky +37ktpa CuEq potential in <5 years
2. Quality asset base with potential for step-change exploration upside/discovery
3. Savvy management team strategically growing company with accretive acquisitions
4. Tier-1/globally significant Cu-Ni-PGE sulphide district near hungry mills/smelters
5. Best in class Sudbury based technical team (formerly FNX Mining)

**Catalysts**

- CY25: McCreedy West quarterly production / ramp up reports
- 2025: Levack surface/UG exploration drilling
- 3Q/4Q: Levack 43-101 MRE update / restart plan
- 2025: Crean Hill engineering, dewatering and progression of grid power

**Research**

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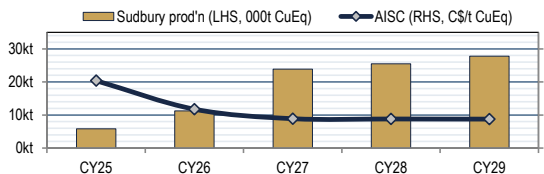
Ticker: NICU CN	Price / mkt cap: C\$1.73/sh, C\$352m	PINAV today: 0.39x	Country: Canada, Ontario
Author: B Gaspar	Rec / PT: BUY, C\$3.1/sh	1xNAV7%: C\$4.48/sh	Asset: Sudbury

Commodity price	CY22A	CY23A	CY24A	CY25E	CY26E	Resource/Inventory	Mt	NiEq %	Sudbury	Mt	NiEq %
Cu price (US\$/t)	8,816	8,523	9,264	9,319	9,079	Shakespeare pit inventory	12 Mt	0.7%	Pit M&I	17 Mt	0.7%
Cu price (US\$/t, payable)	5,313	5,136	5,583	5,616	5,471	SCPe UG inventory	18 Mt	1.9%	UG M&I*	69 Mt	1.5%
SOTP project valuation*		C\$m	o/ship	NAVx	C\$/sh	Total	30 Mt	1.4%	Total*	85 Mt	1.3%
McCreedy + Levack @ 3Q25		807	100%	1.00x	3.18	Note: NiEq using SCPe LT metal prices; *incl. Historic KGHM MRE					
SCPe Crean Hill		280	100%	1.00x	1.10	Share data (m)					
SCPe nominal exploration upside		50	100%	1.00x	0.20	Shares (m)	203.5		FF FD Shares (m)	253.6	
Resources ex inv'try ex Shak'pr @ 1% in-situ		114	100%	1.00x	0.45	Fully-funded Shares (m)	253.6				
Franco Stream (C\$m)		(171)	100%	1.00x	(0.68)	CY25-27 Funding: uses Sources					
Central G&A + finance NPV (C\$m)		0	100%	1.00x	0.00	SCP Exploration spend (C\$m)	11		Pro forma cash+ ITM op (C\$m)	49	
1Q25 Cash		38	100%	1.00x	0.15	SCPe UG dev. Capex (C\$m)	15		Operating CF to CY27(C\$m)	77	
Cash from ITM options/warrants		18	100%	1.00x	0.07	SCPe UG Sus. Capex (C\$m)	16		SCPe equity (C\$m)	0	
1XNAV C\$		1,136			4.48	Max KGHM contingent payment (C\$m)	26				
*Build start, ex fin. cost + G&A, dil. for optns not build						Working cap (C\$m)	28				
PINAV today: 0.39x						Total uses (C\$m)	96		Total sources (C\$m)	125	
Asset value: 1xNPV project (C\$m, ungeared)*						Buffer (C\$m):	29				

Asset NPV (C\$m)	8,000	8,500	8,929	9,800	10,800
9.0% discount	705	721	734	762	794
7.0% discount	775	792	807	838	873
5.0% discount	856	875	891	924	963
Ungeared project IRR:	0%	0%	0%	0%	0%
Asset NPV (C\$/sh)	8,000	8,500	8,929	9,800	10,800
9.0% discount	2.78	2.84	2.90	3.01	3.13
7.0% discount	3.06	3.12	3.18	3.30	3.44
5.0% discount	3.37	3.45	3.51	3.65	3.80

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

Group valuation over time^	Sep-25	Sep-26	Sep-27	Sep-28	Sep-29
McCreedy + Levack	807	867	863	788	699
SCPe Crean Hill	280	280	280	280	280
SCPe nominal exploration upside	50	50	50	50	50
Resources ex inv'try ex Shak'pr @ 1% in-situ	114	114	114	114	114
Franco Stream (C\$m)	(171)	(171)	(171)	(171)	(171)
Central G&A and finance costs	(45)	(33)	(23)	(13)	(2)
Net cash prior quarter	8	(22)	2	92	192
Cash from ITM options/warrants	18.1	18.1	18.1	18.1	18.1
Total NAV (C\$m)	1,062	1,103	1,132	1,158	1,179
FF FD share count (m)	254	254	254	254	254
1xNAV7% FF FD (C\$/sh)	4.19	4.35	4.47	4.57	4.65
1xNAV/sh company @ 2026 commercial production (C\$, geared)^					
1xNAV (C\$m)	8,000	8,500	8,929	9,800	10,800
9.0% discount	1,019	1,037	1,051	1,082	1,116
7.0% discount	1,068	1,087	1,103	1,135	1,173
5.0% discount	1,124	1,144	1,161	1,197	1,237
1xNAV (C\$/sh)	8,000	8,500	8,929	9,800	10,800
9.0% discount	4.02	4.09	4.15	4.27	4.40
7.0% discount	4.21	4.29	4.35	4.48	4.62
5.0% discount	4.43	4.51	4.58	4.72	4.88
Production (Y1 from 2Q25)	CY25	CY26	CY27	CY28	CY29
SCPe production (000kt CuEq)^	5.8	11.3	23.9	25.5	27.8
AISC Co-prod. (US\$/lb CuEq)	4.08	2.35	1.78	1.76	1.75
Copper revenue (%)	68%	50%	25%	24%	24%



Source: SCP estimates, \*AISC done on ore selling NSR

Ratio analysis	CY24E	CY25E	CY26E	CY27E	CY28E
Shares out (m)	194.9	203.5	203.5	203.5	203.5
EPS (C\$/sh)	-	3.5	6.5	37.7	41.6
CFPS before w/c (C\$/sh)	-	-	-	32.7	44.2
EV (C\$m)	319.7	361.4	382.0	305.5	212.6
FCF yield (%)	-	-	-	22%	26%
EV/EBITDA	-	-	10.1x	2.2x	1.4x
Income statement					
Revenue (C\$m)	-	75.8	148.7	305.1	325.5
COGS (C\$m)	-	67.7	78.5	128.5	136.5
Gross profit (C\$m)	-	8.1	70.2	176.5	189.0
G&A (C\$m)	7.4	12.2	4.0	4.0	4.0
Exploration (C\$m)	10.1	4.9	6.0	6.0	6.0
Finance costs (C\$m)	0.2	1.1	1.5	1.5	1.5
Tax (C\$m)	-	2.5	17.8	45.6	48.7
Other (C\$m)	(1.4)	(19.7)	27.8	42.7	44.2
Net income (C\$m)	(16.3)	7.1	13.2	76.7	84.7
Cash flow statement					
EBITDA (C\$m)	(16.5)	(16.2)	37.9	136.5	148.9
Add share based (C\$m)	1.8	2.0	2.0	2.0	2.0
Net change wkg cap (C\$m)	0.2	(0.4)	21.2	10.0	3.0
Cash flow ops (C\$m)	(17.8)	(24.2)	(0.6)	81.4	97.9
PP&E - build + sust. (C\$m)	(0.0)	(16.4)	(20.0)	(5.0)	(5.0)
PP&E - expl'n (C\$m)	-	-	-	-	-
Cash flow inv. (C\$m)	(0.2)	(19.4)	(20.0)	(5.0)	(5.0)
Share issue (C\$m)	24.9	32.3	-	-	-
Debt draw (repay) (C\$m)	(0.2)	-	-	-	-
Cash flow fin. (C\$m)	24.6	31.3	-	-	-
Net change in cash (C\$m)	6.6	(12.3)	(20.6)	76.4	92.9
Balance sheet					
Cash (C\$m)	17.5	5.3	(15.3)	61.1	154.0
Acc rec. + invet. (C\$m)	4.4	12.9	33.4	46.4	50.4
PP&E & expl'n (C\$m)	17.6	119.1	133.6	125.9	116.6
Total assets (C\$m)	39.6	137.2	151.6	233.3	321.0
Debt (C\$m)	-	14.5	14.5	14.5	14.5
Accounts payable (C\$m)	3.6	8.4	7.7	10.7	11.8
Others (C\$m)	21.0	14.1	14.0	103.5	200.3
Total liabilities (C\$m)	4.5	73.1	72.4	75.4	76.4
Shareholders' equity (C\$m)	71.3	84.9	86.9	88.9	90.9
Reserves (C\$m)	5.4	13.7	13.7	13.7	13.7
Retained earnings (C\$m)	(41.6)	(34.5)	(21.3)	55.4	140.0
Liabilities + equity (C\$m)	39.6	137.2	151.6	233.3	321.0

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**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.

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

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