

Ticker: TCG AU
Market cap: A\$504m

PF Net Cash: US\$52m
Price: A\$0.48/sh

Project: Afema
Country: Cote D'Ivoire

REC. (unc): BUY

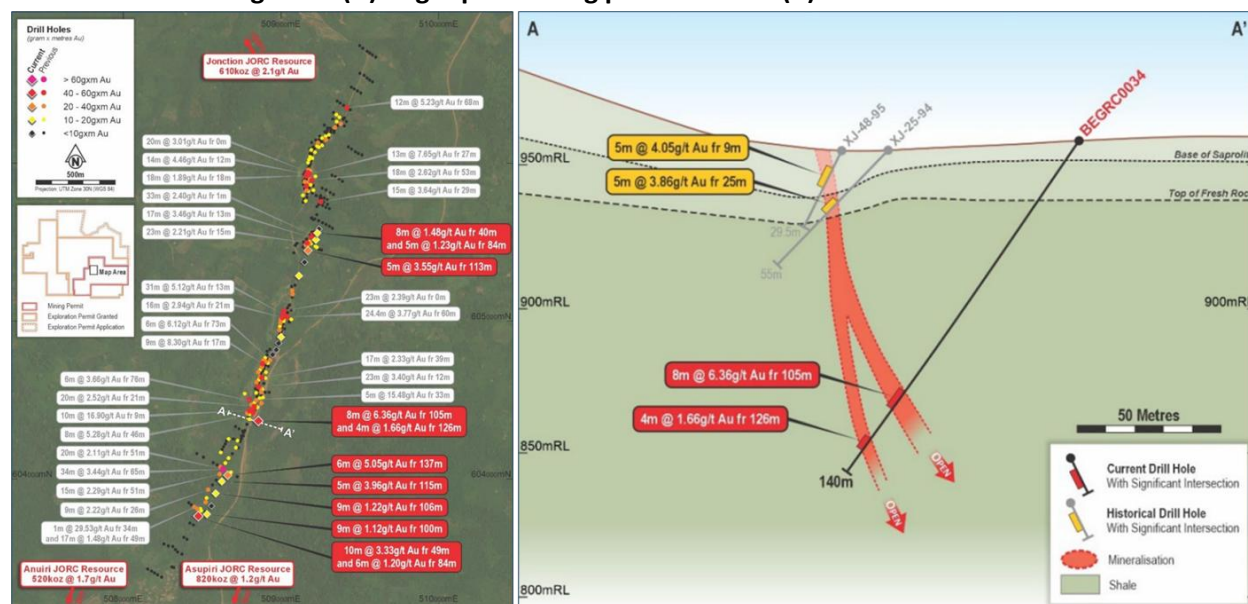
TARGET (unc): A\$1.20/sh

RISK RATING (unc): SPECULATIVE

We see three key takeaways from today's drilling at Afema. First, given the focus today on Begnopan (now covers 3km of strike to 100-200m below surface), we calculate potential ~250-350koz already drilled (3km of strike x 100m depth x 2.5 SG = ~250-350koz at 1.5-2.0g/t). The big picture insight here is ahead of the guided Q4 MRE update, we think Afema is on track to increase to >4Moz, with potential for 300koz plus at Begnopan plus strike extensions at Asupiri, and potential additions Adiopan and Toilesson. Second, today's metallurgical results at Begnopan showed good 81-89% overall recoveries using the same flotation-fine grind-leach flowsheet as the other Afema shear hosted deposits, and on a conservative 0.99g/t head grade – for us this confirms Begnopan's likely addition to the mine plan. Third, the historic heap leaches intercepted today could be a nice early cash flow kicker – our preliminary rough maths (assume 10m average thickness at 1g/t, based on 15-19m at 1.1-1.6g/t intercepts today; and 1.5SG, dimensions 200x350m and 200x450m = ~75-80koz potential at surface) that add to the free milling inventory. Big picture, Afema is tracking well towards our expectation for visibility on 4-5Moz, 10-year, 200kozpa by mid-2026, which we think will become a sought after asset in the West African development pyramid, especially given it's secure location with road and power infrastructure in SE Cote D'Ivoire. **We maintain our BUY rating and A\$1.20/sh PT based on 0.5x NAV5%-3,000 for Afema with a nominal US\$50m added for exploration and US\$100/oz outside of SCPe inventory (fully diluted and fully funded).**

Next catalysts include a guided MRE update in Q4, PFS / ESIA in 2Q26 and targeting DFS and permits in early 2027. We model a 10-year, ~200kozpa base case based on a 2.3Moz at 1.17g/t LOM inventory and given the additions at Begnopan, Toilesson and Asupiri, we think there's now visibility on well beyond ten years of high-grade sulphides, with potential to add more free milling material (Herman Trend, Niamienlessa oxides, Baffia, historic heap leaches). We think Turaco will continue to re-rate as it's trading at just 0.2x NAV5%-3000/oz and is funded through DFS with A\$80m on balance sheet; we think it could easily be an A\$1.00/sh stock (~0.4x SCPe NAVPS).

Figure 1: (A) Begnopan drilling plan view and (B) cross-section A-A'



Source: Turaco Gold

Afema adds ounces at Begnopan, potential historic heap leach material, visibility on SCPe >4Moz

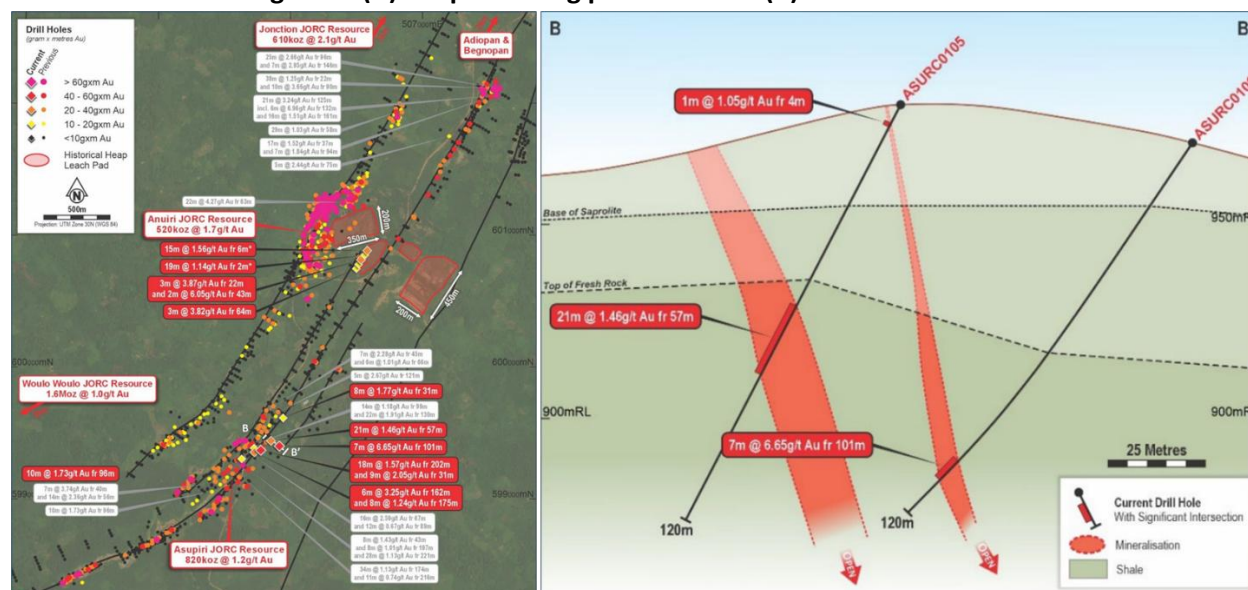
Today, Turaco announces drilling and metallurgical results at the Begnopan prospect and infill and step-out drilling at Asupiri deposit.

Met testwork: A 0.99g/t low-grade fresh Begnopan composite was made from five DD core holes. Test work showed 3.2% mass recovery and 86.4% overall gold recovery in flotation. Flotation tails leaching yielded 50% gold extraction. Concentrate leaching returned 86.6% recovery for 81.6% overall recovery over 40h leach residence time, and 95.6% concentrate leaching recovery over 70h residence (89.4% overall gold extraction). PFS optimization and variability test work is underway on Jonction and Anuiri deposits, while the Woulo Woulo test work program is largely complete.

[illegible]

Asupiri: results from 12 additional holes (1,817m) were received with 7 infill holes into both Asupiri West and Asupiri East structures. The remaining 5 holes were drilled ~1.2km along strike of the Anuri MRE to test gold-in-soil anomalism. Drilling at Asupiri was highlighted by **7m @ 6.65g/t (incl. 1m @ 43.77g/t) from 101m** and **21m @ 1.46g/t from 57m** resulting in 11 of the 12 holes hitting mineralization. We calculate the average intercept was **7.0m @ 1.79g/t** (25 hits total).

Figure 3: (A) Asupiri drilling plan view and (B) cross-section B-B'



Next steps: An updated MRE is guided for Q4 2025. Currently, there are five drill rigs operating, including three rigs on resource extension and infill drilling, and two rigs focused on geotechnical drilling through

October when they will pivot back to exploration following rainy season PFS metallurgical drilling has been completed. Turaco reported a current cash position of A\$80m.

Why we like Turaco

1. 3.6Moz at 1.2g/t MRE at Afema: we model 2.3Moz @ 1.2g/t supporting a 10-year, 200kozpa operation with 4Mtpa conventional + 2Mtpa flotation/fine grind
2. Tier 1 location on the Sefwi-Bibiani belt near major deposits, with road access, nearby hydropower, low resettlement risk, and growth upside along shear zones
3. Rapid development, skipping PEA, with DFS and permits targeted by 1Q27
4. Attractive free-milling core of 1.6Moz @ 1.0g/t at Woulo Woulo; fine grind + CIL testwork yields 85–95% recoveries

Catalysts

- 2H25: exploration drilling results within +30km Afema shear
- 4Q25: JORC Afema Project MRE update
- 2Q26: PFS
- 2H26: ESIA submission
- 1Q27: DFS
- 2H28: SCPe Production

Research

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Ticker: TCG AU	Price / mkt cap: A\$0.48/sh, A\$504m	Market P/NAV: 0.19x	Assets: Afema
Authors: J Chan	Rec / 0.5x NAV: BUY / A\$1.20	1xNAVFD: C\$2.26/sh	Country: Cote D'Ivoire

Group-level SOTP valuation					Resource / Reserve				
	US\$m	O/ship	NAVx	A\$/sh		Mt	Moz	EV/oz	
Afema NPV 2Q25	1,600	100%	1.00x	2.23	Measured, ind. & inf.	90.9	3.55	77	
Exploration	50	80%	1.00x	0.06	Mine inventory (SCPe)	62.1	2.34	140	
Central SG&A & fin costs 2Q25	(66)	-	1.00x	(0.09)	Share data				
Resources outside SCPe mine plans (\$100/oz)	171	100%	1.00x	0.24	Basic shares (m): 1050.6	FD shares (m): 1103.0	FD + FF	1272.8	
PF Net Cash	52	-	1.00x	0.07	Commodity price	CY24E	CY25E	CY26E	CY27E
ITM Options	1	-	1.00x	0.00	Gold price (US\$/oz)	2,387	3,136	3,114	3,008
1xNAV5% US\$3000/oz - FD pre build	1,807	-	1.00x	2.50	Ratio analysis	CY24E	CY25E	CY26E	CY27E
Assumed build equity issuance	160	-	1.00x	0.13	FD shares out (m)	866.1	1103.0	1103.0	1272.8
0.5xNAV5% US\$3000/oz - Fully Funded	1,967	-	0.50x	1.18	EPS (A\$/sh)	(0.018)	(0.001)	(0.001)	(0.001)
1xNAV sensitivity to gold price and discount / NAV multiple					CFPS before w/c (A\$/sh)	(0.02)	(0.02)	(0.00)	(0.00)
1xNAV asset (US\$m)	\$2500oz	\$2750oz	\$3000oz	\$3250oz	FCFPS pre growth (A\$/sh)	(0.03)	(0.02)	(0.01)	(0.10)
8% discount	859	1,082	1,303	1,530	FCF/sh (A\$/sh)	(0.03)	(0.03)	(0.03)	(0.28)
7% discount	923	1,159	1,394	1,635	FCF per oz (A\$/sh)	-	-	-	1,150
6% discount	991	1,243	1,493	1,748	FCF yield - pre growth (%)	(8%)	(7%)	(4%)	(32%)
5% discount	1,066	1,334	1,600	1,872	FCF yield (%)	(8%)	(10%)	(8%)	(91%)
Valuation (C\$/sh)	\$2500oz	\$2750oz	\$3000oz	\$3250oz	EBITDA margin (%)	-	-	-	52%
0.40xNAV	0.68	0.82	0.95	1.08	FCF margin (%)	-	-	-	(13%)
0.50xNAV	0.86	1.02	1.18	1.35	ROA (%)	(36%)	(13%)	(4%)	(1%)
0.60xNAV	1.03	1.22	1.42	1.62	ROE (%)	(46%)	(15%)	(4%)	(1%)

Sources and uses of cash					Income statement				
Sources	US\$m	Uses	US\$m		Revenue (A\$m)				
Build Capex (US\$m)	US\$378m	Cash + ITM options	US\$53m		COGS (A\$m)	--	--	--	(140)
G&A + fin. cost to production (US\$m)	US\$11m	Debt package (US\$m)	US\$188m		Gross profit (A\$m)	1	--	--	169
Working capital (US\$m)	US\$35m	Equity raised (US\$m)	US\$160m		G&A & central	(4)	(5)	(5)	(9)
Less spent capex	US\$0m				Depreciation	(0)	--	--	(25)
Total uses (US\$m)	US\$425m	Total sources (US\$m)	US\$401m		Impairment & other (A\$m)	1	--	--	--
Total contingency buffer (US\$m)	-US\$24m				Net finance costs (A\$m)	1	1	1	(22)
Valuation over time	Today	2025E	2026E	2027E	Tax (A\$m)	--	--	--	--
Afema NPV (US\$m)	1,771	2,357	2,500	2,985	Minority interest (A\$m)	--	--	--	--
Cntrl G&A & fin costs (US\$m)	(66)	(71)	(64)	(65)	Net income attr. (A\$m)	(2)	(3)	(4)	(4)
Resources outside mine plan (US\$m)	171	171	171	171	EBITDA	(27)	(16)	(5)	(5)
Net cash at 1Q + ITM options (US\$m)	53	63	34	(45)	Cash flow	CY24E	CY25E	CY26E	CY27E
1xNAV (US\$m)	1,928	2,519	2,641	3,047	Profit/(loss) after tax (A\$m)	(26)	(10)	(4)	(4)
1xNAV share px FD + FF (A\$/sh)	2.50	3.51	3.68	3.68	Add non-cash items (A\$m)	4	(13)	--	0
P/NAV (x):	0.19x	0.14x	0.13x	0.13x	Less wkg cap / other (A\$m)	--	--	--	(72)
ROI to equity holder (% pa)	400%	632%	177%	97%	Cash flow ops (A\$m)	(22)	(23)	(4)	(3)

Geared company A\$ 1xNAVPS diluted for mine build, net G&A and interest					Balance sheet				
1Q25 1xNAV FF FD (C\$/sh)^	\$2500oz	\$2750oz	\$3000oz	\$3250oz	Cash (A\$m)				
9.0% discount	0.69	0.82	0.94	1.07	Accounts receivable (A\$m)	0	0	0	71
7.0% discount	0.77	0.91	1.05	1.20	Inventories (A\$m)	--	--	--	39
5.0% discount	0.86	1.02	1.18	1.35	PPE & exploration (A\$m)	0	13	37	396
1Q25 1xNAV FF FD (C\$/sh)^	\$2500oz	\$2750oz	\$3000oz	\$3250oz	Other (A\$m)	36	36	36	36
20% increase in cost per tonne	0.74	0.91	1.07	1.24	Total assets (A\$m)	69	111	107	457
10% increase in cost per tonne	0.80	0.96	1.13	1.29	Debt (A\$m)	--	--	--	108
0% increase in cost per tonne	0.86	1.02	1.18	1.35	Other liabilities (A\$m)	14	14	14	52
-10% increase in cost per tonne	0.91	1.08	1.24	1.41	Shareholders equity (A\$m)	136	192	192	438
1Q25 1xNAV FF FD (C\$/sh)^	\$2500oz	\$2750oz	\$3000oz	\$3250oz	Retained earnings (A\$m)	(79)	(94)	(98)	(102)
20.0% change in capex	0.79	0.96	1.12	1.29	Minority int. & other (A\$m)	(2)	(2)	(2)	(2)
10.0% change in capex	0.82	0.99	1.15	1.32	Liabilities+equity (A\$m)	69	111	107	457
0.0% change in capex	0.86	1.02	1.18	1.35	Net Cash	33	62	33	(83)
-10.0% change in capex	0.89	1.05	1.22	1.38	Net Debt to NTM EBITDA (x)	2.0x	12.3x	6.6x	0.5x

Production (100%)					Net Debt to NTM EBITDA (x)				
	CY28E	CY29E	CY30E	CY31E					
Group Au production (000oz)	67	217	218	218					
Group cash cost (US\$/oz)	1,099	958	952	968					
Group AISC (US\$/oz)	1,497	1,324	1,318	1,334					

Geared company A\$ 1xNAVPS diluted for mine build, net G&A and interest					Balance sheet				
1Q25 1xNAV FF FD (C\$/sh)^	\$2500oz	\$2750oz	\$3000oz	\$3250oz	Cash (A\$m)				
9.0% discount	0.69	0.82	0.94	1.07	Accounts receivable (A\$m)	0	0	0	71
7.0% discount	0.77	0.91	1.05	1.20	Inventories (A\$m)	--	--	--	39
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Source: SCP estimates

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Summary of Recommendations as of September 2025	
BUY:	53
HOLD:	0
SELL:	0
UNDER REVIEW:	1
TENDER:	0
NOT RATED:	0
TOTAL	54

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