

Ticker: IAU CN **Cash:** US\$175m **Project:** Granite Creek / McCoy Cove / Ruby Hill
Market cap: C\$947m **Price:** C\$1.16/sh **Country:** Nevada, USA
REC. (unc): BUY **TARGET (unc):** C\$2.10/sh **RISK RATING (unc):** HIGH

Today's news of Archimedes UG permits is in line with the previously announced schedule in the PEA and associated development timelines. Our first takeaway was this reinforces I-80's messaging about phase I focused on continuing the Granite Creek UG ramp up, plus Archimedes and the Lone Tree autoclave, combined for 150-200kozpa by the end of 2028. Second, there aren't any major surprises today regarding Archimedes with development starting in Q4 this year, modest production in 2026 ramping up through 2027 and 2028. Third, the other associated timelines are also progressing on schedule, including the autoclave refurbishment Class 3 study guided for Q4, exploration from 2025-2026, and Archimedes DFS in 1Q27. Big picture, we estimate phase I capex is ~US\$125m combined for the two UGs plus SCPe US\$325m for Lone Tree = US\$450m for SCPe 174koz at US\$1,896/oz AISC in 2028, roughly US\$150-200m/year FCF run rate, which then sets the stage to build out the portfolio, if M&A doesn't happen before then.

We maintain our BUY rating and our price target of C\$2.10/sh, based on a fully diluted 0.3x NAV5%-3,000. Today's news continues the positive trend last quarter – we think I-80 is now delivering on a coherent and capital efficient development plan, now funded through mid-2026 to deliver studies and drilling to support potential bank debt to complete the recapitalization. The shares remain cheap at 0.17x SCPe NAV5%-3000 with a 600kozpa portfolio, torque to gold price, and we think potential to benefit from friendly US policy and capital initiatives for reindustrialization and resource development.

Archimedes UG permits received, enabling development in line with 150-200kozpa Phase I plan

Today, I-80 announced the initiation of underground development at Archimedes following receipt of environmental permits from the Nevada Division of Environmental Protection and the Bureau of Land Management. The project is designed as a 10-year, ~100kozpa operation with construction capital of US\$47m, with first production targeted for 4Q26. Current permits cover mining activities above the 5,100ft elevation, supporting operations into 1H28, while permitting for below the 5,100ft elevation is underway and expected to conclude in 1H27. Initial material mined will be processed offsite and supplemented by on-site heap leaching until commissioning of Lone Tree in early 2028, marking completion of Phase 1.

Table 1: Archimedes FCF schedule

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Mined (kt)		42	259	473	573	534	559	561	573	569
Waste (kt)		12	96	161	194	265	124	255	85	106
Mining rate (tpd)		146	973	1,736	2,101	2,188	1,870	2,237	1,802	1,850
Processed (kt)		42	259	473	573	534	559	561	573	569
Grade (g/t au)		6.6	6.7	6.8	6.9	7.2	6.9	6.8	7.4	7.5
Contained Gold (koz)		9	56	103	127	124	124	122	135	137
Processing		Toll	>>	Autoclave	>>	>>	>>	>>	>>	>>
Recovery (%)		64%	61%	94%	94%	96%	92%	89%	89%	90%
Gold production (koz)		6	34	97	120	120	115	109	121	123
Realised Gold price (US\$/oz)		3,034	2,989	2,985	2,985	2,985	2,985	2,985	2,985	2,985
Revenue (US\$m)		17	102	290	358	357	342	325	361	366
Operating cost (US\$m)	0	-14	-89	-168	-204	-204	-190	-206	-188	-190
Tax & Other (US\$m)	0	0	-1	-3	-8	-10	-10	-8	-11	-12
Total capex (US\$m)	-22	-50	-11	-11	-13	-12	-13	-13	-13	-13
FCF (US\$m)	-22	-47	2	108	132	130	129	98	149	151

Source: SCPe, mine schedule based on the PEA, US\$3,000/oz gold price assumed per SCP price deck

Development work: Surface infrastructure and utilities for the underground portal are in place. Specialist contractor Small Mine Development (SMD) has mobilized to advance development to the 5,100ft elevation, with completion targeted by mid-2027. Scope includes two portals, a haulage decline, ventilation raises, exploration bays, and supporting facilities, with costs aligned to Ruby Hill PEA estimates.

Next steps: The Archimedes program has been accelerated by ~12 months versus the PEA, adding US\$10–25m in drilling costs due to deeper holes from higher elevations. Infill drilling of the upper zone will begin in 4Q25 from underground, followed by the lower zone in 1Q26, totaling >175 holes (~60km). Results will feed into a feasibility study targeted for 1Q27 under NI 43-101 and S-K 1300, alongside an updated resource estimate. Workstreams will also include resource conversion drilling as the decline advances, permitting activities below 5,100ft in line with NEPA and Nevada requirements, and metallurgical testing on initial Ruby Hill production areas to validate recoveries under Lone Tree processing conditions.

Why we like I-80

1. Among highest grade open pit and underground development assets in US
2. One of only three companies with refractory sulphide processing facilities in Nevada
3. Fresh start with new management and narrowed focus on production

Catalysts

- 4Q25: Autoclave Refurbishment Study
- 1Q26: Granite Creek UG and Cove UG FS
- 1H26: Granite Creek OP FS

Research

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Ticker: IAU CN	Price / mkt cap: C\$1.16/sh, C\$947m	Market P/NAV: 0.17x	Assets: Nevada Au portfolio
Authors: J Chan	Rec / 0.3x NAV: BUY / C\$2.10	1xNAVFD: C\$6.97/sh	Country: Nevada, USA

Group-level SOTP valuation					2Q25	FD	Resource / Reserve					Mt	Moz	EV/oz							
	US\$m	O/ship	NAVx	C\$/sh			Measured, ind. & inf.	546.5	14.2	64.9											
Granite Creek NPV 2Q25	1,179	100%	1.00x	1.53			Mine inventory (SCPe)	422.7	8.2	112.4					0.60						
Ruby Hill - Archimedes UG NPV 2Q25	830	100%	1.00x	1.08			Share data														
Cove NPV 2Q25	644	100%	1.00x	0.83			Basic Shares (m)	816.0			FD + FF				1318.2						
Mineral Point 1Q25	1,871	100%	1.00x	2.42			FD shares (m):	1098.2													
FAD (historic MRE @ 50/oz AuEq)	71	100%	1.00x	0.09			Commodity price	CY24E	CY25E	CY26E	CY27E	CY28E									
Open Pits excl Granite Creek / Mineral Point	230	100%	1.00x	0.30			Gold price (US\$/oz)	2,342	3,039	3,050	3,004	3,000									
Central SG&A & fin costs 2Q25	91	-	1.00x	0.12			Ratio analysis	CY24E	CY25E	CY26E	CY27E	CY28E									
Resources outside SCPe mine plans (\$50/oz)	300	100%	1.00x	0.39			FD shares out (m)	852.3	1131.8	1131.8	1226.8	1326.8									
Cash 2Q25	175	-	1.00x	0.23			EPS (US\$/sh)	(0.140)	(0.156)	(0.015)	(0.015)	0.106									
ITM options	160	-	1.00x	0.21			CFPS before w/c (US\$/sh)	(0.10)	(0.06)	(0.02)	0.00	0.12									
Debt, offtake and stream	(175)	-	1.00x	(0.23)			FCFPS pre growth (US\$/sh)	(0.06)	(0.05)	(0.07)	(0.12)	(0.02)									
1xNAV5% US\$3000/oz - FD pre build	5,377		1.00x	6.97			FCF/sh (US\$/sh)	(0.10)	(0.08)	(0.07)	(0.12)	(0.10)									
Assumed build equity issuance	350		1.00x	0.27			FCF pre growth per oz (US\$/sh)	(3.093)	(1,837)	(1,581)	(1,904)	(183)									
1xNAV5% US\$3000/oz - Fully Funded	5,727		1.00x	6.18			FCF yield - pre growth (%)	(7%)	(7%)	(9%)	(15%)	(3%)									
Price Target	Multiple			PT (C\$/sh)			FCF yield (%)	(11%)	(10%)	(9%)	(15%)	(13%)									
FD NAVPS (fully diluted)	0.3x			2.10			EBITDA margin (%)	(174%)	(50%)	8%	10%	41%									
1xNAV sensitivity to gold price and discount / NAV multiple							FCF margin (%)	(164%)	(86%)	(52%)	(64%)	(26%)									
1xNAV asset (US\$m)	\$2200oz	\$2600oz	\$3000oz	\$3400oz	\$3800oz		ROA (%)	(19%)	(14%)	(3%)	(2%)	10%									
8% discount	1,646	3,095	4,500	5,951	7,423		ROE (%)	(36%)	(25%)	(6%)	(3%)	16%									
7% discount	1,736	3,268	4,754	6,288	7,843		ROCE (%)	(15%)	(11%)	2%	2%	15%									
6% discount	1,839	3,466	5,044	6,672	8,323		EV (US\$m)	436	1,118	1,251	1,424	1,534									
5% discount	1,957	3,693	5,377	7,115	8,875		PER (x)	(3.7)	(5.0)	(61.1)	(63.5)	8.9x									
Valuation (C\$/sh)	\$2200oz	\$2600oz	\$3000oz	\$3400oz	\$3800oz		P/CF (x)	(4.0)	(18.9)	(68.8)	95.6x	6.8x									
0.80xNAV	1.99	3.49	4.94	6.44	7.96		EV/EBITDA (x)	(5.0x)	(21.2x)	94.8x	61.4x	7.3x									
0.90xNAV	2.24	3.93	5.56	7.25	8.96		Income statement									CY24E	CY25E	CY26E	CY27E	CY28E	
1.00xNAV	2.49	4.36	6.18	8.06	9.96		Revenue (US\$m)	50	105	160	234	518									
Valuation over time						Today	1Q23E	1Q24E	1Q25E	1Q26E	COGS (US\$m)						(65)	(91)	(81)	(162)	(278)
Mines NPV (US\$m)	5,126	4,236	4,491	4,739	4,954		Gross profit (US\$m)						(14)	14	80	72	240				
Cntrl G&A & fin costs (US\$m)	91	(126)	(49)	51	168		G&A & central						(33)	(41)	(30)	(30)	(30)				
Net cash at 1Q (US\$m)	(0)	(90)	(117)	(90)	(223)		Depreciation						(1)	(3)	(5)	(8)	(18)				
1xNAV (US\$m)	5,217	4,020	4,325	4,699	4,898		Impairment & other (US\$m)						2	(14)	7	0	0				
1xNAV share px FD + FF (C\$/sh)	6.18	18.17	6.95	5.96	6.16		Net finance costs (US\$m)						(33)	(33)	(24)	(22)	(29)				
P/NAV (x):	0.19x	0.06x	0.17x	0.19x	0.19x		Tax (US\$m)						(1)	(3)	(13)	(10)	(22)				
ROI to equity holder (% pa)	433%	1467%	145%	73%	52%		Minority interest (US\$m)						--	--	--	--	--				
Geared company C\$ 1xNAVPS diluted for mine build, net G&A and interest							Net income attr. (US\$m)						(82)	(80)	15	2	141				
1Q25 1xNAV FF FD (C\$/sh)^	\$2200oz	\$2600oz	\$3000oz	\$3400oz	\$3800oz		EBITDA						(88)	(53)	13	23	210				
9.0% discount	2.07	3.55	4.99	6.48	7.99		Cash flow						CY24E	CY25E	CY26E	CY27E	CY28E				
7.0% discount	2.25	3.90	5.51	7.16	8.84		Profit/(loss) after tax (US\$m)						(122)	(106)	(24)	(18)	141				
5.0% discount	2.49	4.36	6.18	8.06	9.96		Add non-cash items (US\$m)						41	51	9	30	43				
1Q25 1xNAV FF FD (C\$/sh)^	\$2200oz	\$2600oz	\$3000oz	\$3400oz	\$3800oz		Less wkg cap / other (US\$m)						(2)	(13)	(12)	(8)	(20)				
20% increase in cost per tonne	1.00	2.90	4.76	6.59	8.47		Cash flow ops (US\$m)						(83)	(67)	(27)	4	164				
10% increase in cost per tonne	1.75	3.64	5.48	7.31	9.21		PP&E (US\$m)						(2)	(36)	(69)	(161)	(321)				
0% increase in cost per tonne	2.49	4.36	6.18	8.06	9.96		Other (US\$m)						0	--	--	--	(5)				
-10% increase in cost per tonne	3.21	5.06	6.89	8.79	10.69		Cash flow inv. (US\$m)						(2)	(43)	(95)	(172)	(332)				
1Q25 1xNAV FF FD (C\$/sh)^	\$2200oz	\$2600oz	\$3000oz	\$3400oz	\$3800oz		Debt draw (repayment) (US\$m)						--	(6)	81	60	--				
20.0% change in capex	1.97	3.86	5.73	7.58	9.44		Equity issuance (US\$m)						124	195	--	100	200				
10.0% change in capex	2.23	4.12	5.98	7.80	9.69		Other (US\$m)						(42)	(44)	--	--	--				
0.0% change in capex	2.49	4.36	6.18	8.06	9.96		Cash flow fin. (US\$m)						83	145	81	160	200				
-10.0% change in capex	2.75	4.58	6.42	8.32	10.22		Net change post forex (US\$m)						(1)	34	(41)	(8)	32				
Legend: Ruby Hill UG Au (000oz), McCoy-Cove Au (000oz), Granite Creek Au (000oz), Open Pits (000oz), Group AISC (US\$/oz)							FCF (US\$m)						(85)	(103)	(95)	(157)	(157)				
Production (100%)						CY25E	CY26E	CY27E	CY28E	CY29E	Balance sheet						CY24E	CY25E	CY26E	CY27E	CY28E
Granite Creek Au (000oz)	25	47	44	76	81	Cash (US\$m)						19	53	12	4	35					
McCoy-Cove Au (000oz)	--	--	--	--	38	Accounts receivable (US\$m)						3	3	8	12	26					
Ruby Hill UG Au (000oz)	--	6	34	97	120	Inventories (US\$m)						19	22	16	32	56					
Mineral Point Au (000oz)	--	--	--	--	--	PPE & exploration (US\$m)						572	614	703	867	1,182					
Open Pits (000oz)	8	--	--	--	--	Other (US\$m)						42	49	49	49	49					
Gold assets(000oz)	33	53	78	174	239	Total assets (US\$m)						656	740	788	964	1,347					
Group cash cost (US\$/oz)	2,726	1,534	2,078	1,611	1,546	Debt (US\$m)						0	0	150	290	316					
Group AISC (US\$/oz)	5,947	3,506	3,091	1,896	1,743	Other liabilities (US\$m)						315	310	232	159	177					
Source: SCP estimates						Shareholders equity (US\$m)						625	820	820	946	1,146					
						Retained earnings (US\$m)						(285)	(390)	(414)	(432)	(291)					
						Minority int. & other (US\$m)						--	--	--	--	--					
						Liabilities+equity (US\$m)						656	740	788	964	1,347					
						Net Cash						19	52	(139)	(287)	(280)					
						Net Debt to NTM EBITDA (x)						0.4x	(4.0x)	6.0x	1.4x	0.9x					

Source: SCP estimates

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HOLD:	0
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UNDER REVIEW:	1
TENDER:	0
NOT RATED:	0
TOTAL	54

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