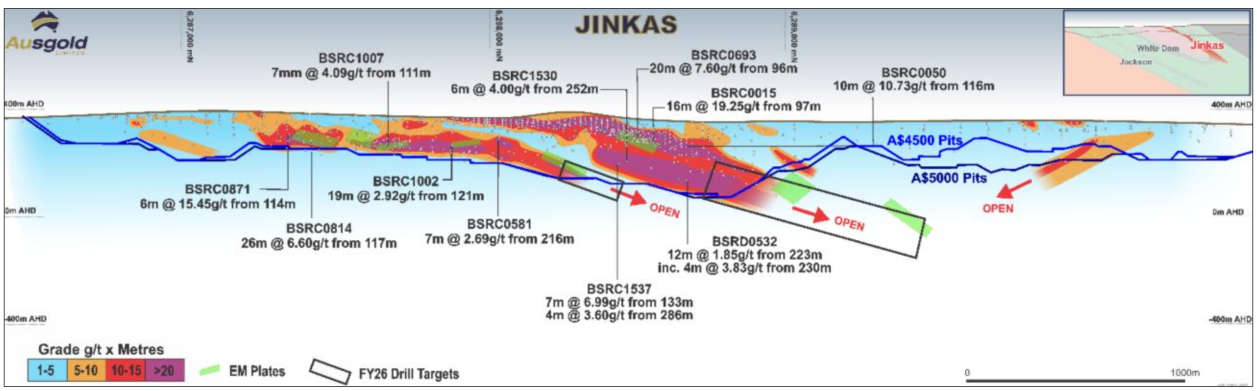
Ausgold, 23 October 2025

Ticker: AUC AU	**PF cash:** A$30m	**Project**: Katanning Gold Project (KGP)
Market cap: A$356m	**Price:** A$0.84/sh	**Country:** Western Australia
REC. (unc): BUY	*TARGET (unc): A$2.00/sh*	*RISK RATING (unc): HIGH RISK*

*Yesterday's news of Ausgold securing an additional parcel of freehold land points to further upside in this year's DFS as well as new exploration and growth potential at Katanning. Diving in, the 240ha of freehold land includes 50ha of Ausgold's Mining License, which would not only allow for an optimized site development layout (incl. shorter haulage distances for improved mine opex) but will also add resources from the Central Zone which were previously excluded in the mine plan - likely to bulk/level out the LOM schedule in our view. With a 10% increase in our ~A$1.1bn NPV5%-3,000 for every additional 100koz added to the mine plan (+10c/sh in our PT), even small contributions could be accretive to economics. Further, the land grab will allow for additional drilling down-plunge from the Jinkas high-grade that have already seen EM plates suggesting mineralized extensions could span >500m still, either extending pits further or perhaps opening the doors for a transition to underground given the thick high-grade hits to date (notably 16m @ 19.25g/t up-plunge). Bottom line – we expect any DFS optimizations to be positive, with upside from a potential UG, and exploration all ahead of the FID next year to drive value. For now, we **maintain our BUY rating and A$2.00/sh PT** based on SCPe A$1.1bn $NPV_{5\%-3000}$ for KGP (DFS 1.3Moz P&P / 140koz pa Y1-4 / 114koz pa LOM) and a nominal US$5/oz for resources outside of inventory.*

Figure 1. Jinkas cross section

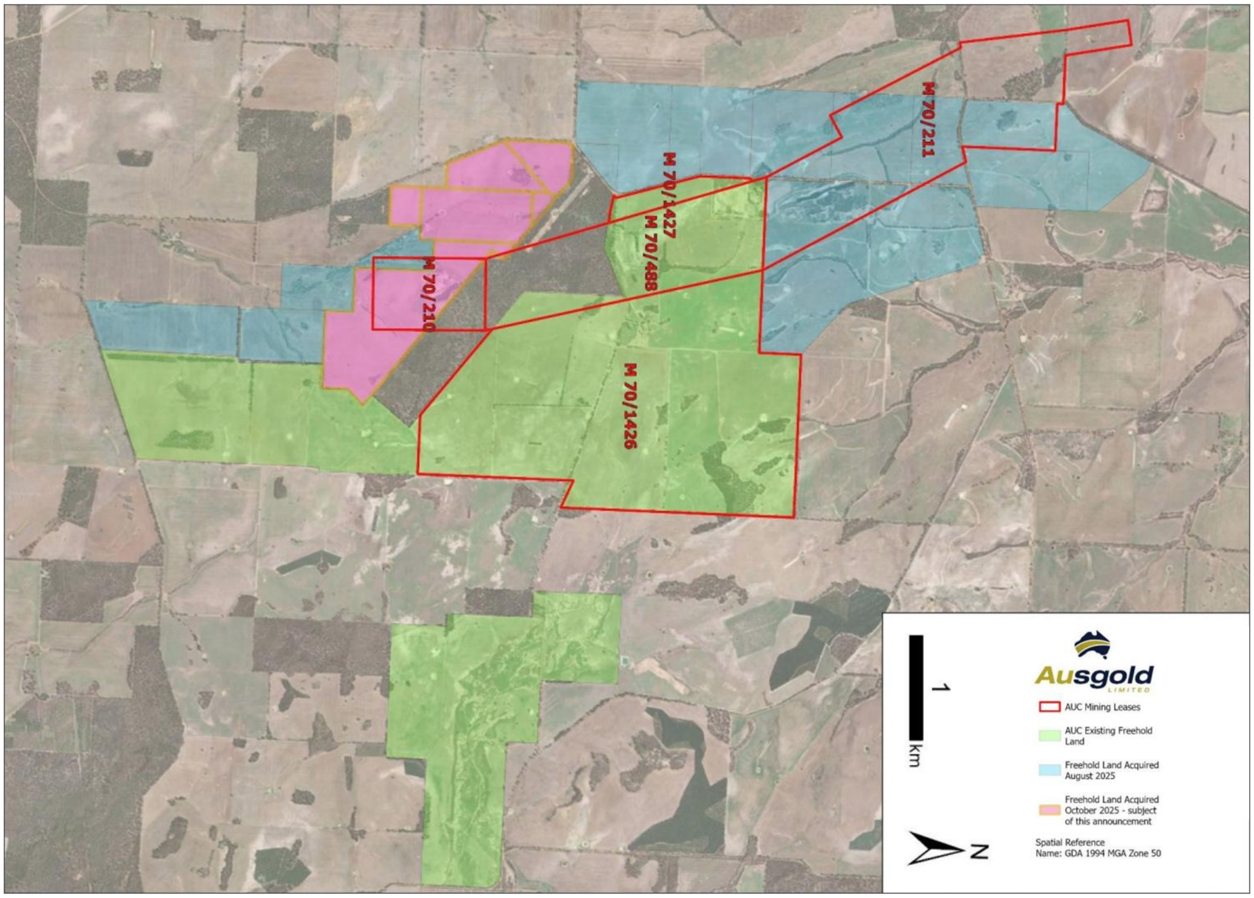


Source: Ausgold

Additional ~240ha of land secured and new exploration program launched at WA's next mine

Yesterday, Ausgold announced a binding agreement to acquire ~240ha of land at Katanning Gold Project (WA) for a A$3m consideration to be settled in November 2025. The package includes ~50ha of Ausgold's Mining License as well as buffer area around the license which will allow for potential growth. Ausgold will be embarking on a DFS optimization given the substantial land increase since the DFS was delivered in June with the goal of (i) adding additional LOM Au production from R&R ounces previously excluded due to previous tenure constraints and (ii) cost reductions through waste dump relocation to reduce haulage distance. Concurrently, Ausgold announced it will commence a multi rig drilling program in late October on the land acquired since August targeting the down plunge extent of the Central Zone ore shoots and the White Dam lode.

Figure 2. Plan view showing Ausgold updated land position



Source: Ausgold

Why we like Ausgold

1. DFS 1.3Moz P&P vanilla open pit in WA, visibility on >140koz pa Y1-4 (114koz pa LOM)
2. Strong leadership – Executive Chair John Dorward (Ex-RoxGold CEO) brings key expertise
3. Underexplored 4,000km^2 a Yilgarn license with flyer on high-grade satellite potential

Catalysts

- 2H25: Multi-rig exploration program
- 1H26: Advance permitting and approvals
- Mid 2026: FID / construction start
- 4Q27/1Q28: First Gold / SCPe commercial production

Research

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Ticker: AUC AU	**Price / mkt cap:**	A$0.84/sh, A$356m	**Project PNAV today:**	0.31x	**Asset:**	Katanning Gold Project
Author: B Gaspar	**Rec/0.7xNAV PT:**	BUY, A$2/sh	**$1xNAV_{1Q29}$ FF FD:**	A$2.42/sh	**Country:**	Western Australia

Commodity price	CY24A	CY25E	CY26E	CY27E	CY28E
Gold price	2,387	3,255	3,043	3,000	3,000
SOTP *project* valuation*					
	A$m	**O/ship**	**NAVx**	**A$/sh**	
Ungeared @ build start (3Q26)	1,097	100%	0.70x	1.69	
PF Cash net of cash payment to landholde	30	100%	1.00x	0.07	
Cash from options	5	100%	1.00x	0.01	
MRE ex inventory @ US$5/oz	87	100%	1.00x	0.19	
Asset NAV5% US$3000/oz	**1,220**		**PT:**	**1.95**	
**Shares diluted for options but not mine build*		Market $P/NAV5_{\%\ today}$		0.31x	

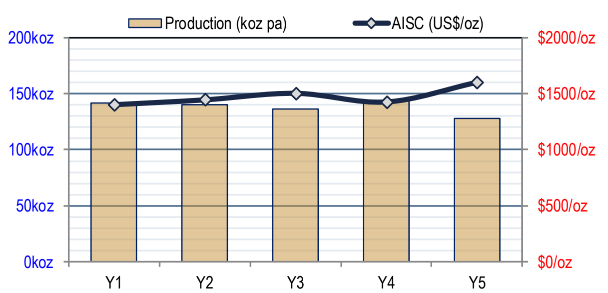
Asset value: 1xNPV project @ build start (A$m, ungeared)*					
Project NPV (A$m)	$2200oz	$2600oz	$3000oz	$3400oz	$3800oz
Discount rate: 10%	238	505	772	1,039	1,306
Discount rate: 7%	325	638	950	1,262	1,574
Discount rate: 5%	395	744	**1,093**	1,441	1,790
Ungeared project IRR:	24%	38%	50%	61%	71%
Project NPV (A$/sh)	$2200oz	$2600oz	$3000oz	$3400oz	$3800oz
Discount rate: 10%	0.53	1.11	1.70	2.29	2.88
Discount rate: 7%	0.72	1.41	2.10	2.78	3.47
Discount rate: 5%	0.87	1.64	**2.41**	3.18	3.95
**Project NPV, ex fin. costs and cent G&A, discounted to build start*					

***Group* NAV over time^**	**Dec-25**	**Dec-26**	**Dec-27**	**Dec-28**	**Mar-29**
Katanning 1xNPV (A$m)	1,138	1,141	1,326	1,589	1,657
G&A and fin. costs (A$m)	(168)	(162)	(133)	(111)	(105)
Net cash prior qtr (A$m)	24	15	42	(173)	(231)
Cash from options (A$m)	5	5	5	5	5
MRE ex inventory @ US$5/o	87	87	87	87	87
NAV FF FD (A$m)	1,087	1,087	1,328	1,398	**1,414**
Shares in issue (m)	*424*	*453*	*585*	*585*	*585*
1xNAV/sh FF FD (A$/sh)*	**2.57**	**2.40**	**2.27**	**2.39**	**2.42**

Geared NAV at first pour (1Q28), diluted for build, net G&A and fin. costs^					
NAV at first gold (A$m)	$2200oz	$2600oz	$3000oz	$3400oz	$3800oz
Discount rate: 10%	519	872	1,224	1,575	1,927
Discount rate: 7%	570	950	1,331	1,711	2,091
Discount rate: 5%	607	1,010	**1,411**	1,813	2,215
Geared project IRR:	19%	32%	43%	54%	63%
NAV at first gold (A$/sh)*	$2200oz	$2600oz	$3000oz	$3400oz	$3800oz
Discount rate: 10%	0.58	1.23	1.93	2.66	3.41
Discount rate: 7%	0.70	1.43	2.20	3.00	3.81
Discount rate: 5%	0.79	1.58	**2.41**	3.26	4.12
*^Project NPV incl grp SG&A & fin. cost, +net cash; *diluted for build equity*					

Production	Y1	Y2	Y3	Y4	Y5
Gold production (000oz)	141	140	137	144	128
C1 cost (US$/oz)	1,269	1,309	1,367	1,291	1,461
AISC cost (US$/oz)	1,401	1,445	1,505	1,426	1,604

AISC = C1 + royalty + sustaining capex, Y1 = CY28



Source: SCP estimates

Resource / Reserve	Tonnes	Grade	Ounces
2Q25 MRE	69Mt	1.1g/t	2442koz
2Q25 Reserve	35Mt	1.1g/t	1253koz
SCP pit inventory	35Mt	1.1g/t	1289koz

Project: USES		**Funding: SOURCES**	
Pre-build exploration / G&A:	A$8m	Cash+pre-Au ITM op.:	A$35m
Build capex 5Mtpa:	A$355m	Build equity @ 0.50x NAV:	A$178m
Fin. cost + WC + payment for land	A$55m	Pre-FID equity:	A$0m
TOTAL USES:	A$419m	60% geared debt @ 10%:	A$213m
Buffer / drill budget:	*A$7m*	TOTAL SOURCES:	A$426m

Share data	Basic	FD with options	FF FD for build
Basic shares (m)	424	453	585

Ratio analysis	CY24A	CY25E	CY26E	CY27E	CY28E
Average shares out (m)	356.4	411.2	539.2	555.7	555.7
EPS (A$/sh)	-	-	-	-	0.34
CFPS (A$/sh)	-	-	-	-	0.40
EV (A$m)	280.7	351.0	456.0	697.3	495.6
FCF yield (%)	-	-	-	-	48%
PER (x)	-	-	-	-	2.4x
P/CF (x)	-	-	-	-	2.1x
EV/EBITDA (x)	-	-	-	-	1.4x

Income statement	CY24A	CY25E	CY26E	CY27E	CY28E
Net revenue (A$m)	(0.1)	-	-	-	639.7
COGS (A$m)	-	-	-	-	288.0
Gross profit (A$m)	(0.1)	-	-	-	351.7
D&A, attrib (A$m)	(0.4)	-	-	-	(51.3)
Corporate G&A	(2.8)	(6.2)	(3.1)	(3.0)	(3.0)
Exploration (A$m)	(4.2)	(4.5)	-	-	-
SBC & Other (A$m)	(5.4)	(5.4)	-	-	-
Finance cost, net (A$m)	(0.3)	(0.3)	(18.0)	(23.3)	(23.1)
Taxes + FX (A$m)	-	-	-	-	(83.2)
Net income (A$m)	(13.2)	(9.8)	(21.0)	(26.3)	191.1

Cash flow, attrib.	CY24A	CY25E	CY26E	CY27E	CY28E
EBIT (A$m)	(12.8)	(9.6)	(3.1)	(3.0)	297.4
Less tax, FX (A$m)	-	-	-	-	(83.2)
Add back D&A (A$m)	0.4	-	-	-	51.3
Change in WC (A$m)	-	(0.0)	0.0	0.0	(28.5)
SBC & Other (A$m)	9.1	0.5	-	-	-
Cash flow ops (A$m)	**(3.3)**	**(9.2)**	**(3.0)**	**(3.0)**	**237.0**
PP&E - build + sust. (A$m)	(8.9)	(21.1)	(154.0)	(201.1)	(12.3)
PP&E - expl'n (A$m)	(7.5)	(8.9)	-	-	-
Finance income (A$m)	-	-	-	-	-
Cash flow inv. (A$m)	**(16.4)**	**(30.1)**	**(154.0)**	**(201.1)**	**(12.3)**
Share issue, net (A$m)	35.7	34.9	177.6	-	-
Debt draw (repay) (A$m)	(0.1)	20.0	213.1	-	(17.8)
Finance cost and other (A$m)	(0.2)	(0.3)	(18.0)	(23.3)	(23.1)
Cash flow fin. (A$m)	**35.4**	**54.6**	**372.6**	**(23.3)**	**(40.8)**
Net change in cash (A$m)	15.7	15.4	215.6	(227.4)	183.9
EBITDA (A$m)	(12.5)	(9.6)	(3.1)	(3.0)	348.7

Balance sheet	CY24A	CY25E	CY26E	CY27E	CY28E
Cash (A$m)	18.7	14.4	230.0	2.6	186.5
Acc rec., inventories (A$m)	0.4	-	-	-	56.1
PP&E + other (A$m)	85.4	135.3	289.3	490.4	451.3
Total assets (A$m)	**104.4**	**149.7**	**519.3**	**492.9**	**693.9**
Debt (A$m)	-	20.0	233.1	233.1	215.3
Accounts payable (A$m)	1.1	0.5	0.6	0.6	28.2
Other (A$m)	2.0	2.8	2.8	2.8	2.8
Total liabilities (A$m)	3.1	23.3	236.4	236.4	246.3
Issued capital (A$m)	148.0	182.8	360.4	360.4	360.4
Retained earnings & Reserves (A$m)	(46.7)	(56.5)	(77.5)	(103.9)	87.2
Liabilities + equity (A$m)	**104.4**	**149.7**	**519.3**	**492.9**	**693.9**

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UNDER REVIEW:	0
TENDER:	0
NOT RATED:	0
TOTAL	55

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