

Ticker: NICU CN**3Q25 cash + warrants:** C\$69m**Project:** Sudbury Assets**Market cap:** C\$637m**Price:** C\$2.55/sh**Country:** Canada, ON**REC. (unc):** BUY**TARGET (unc):** C\$3.10/sh**RISK RATING (unc):** HIGH

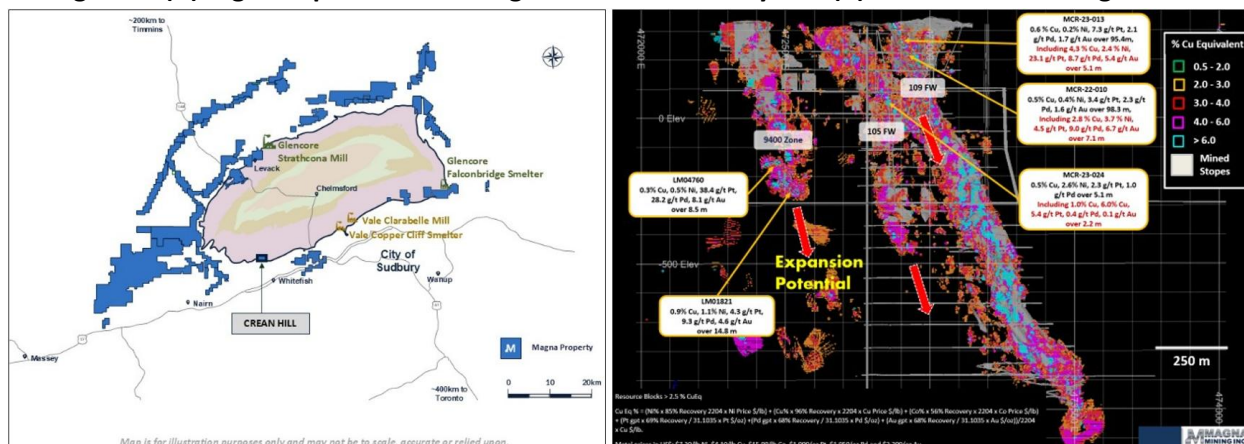
Recall, Magna acquired Crean Hill in 4Q22 (pre-KGHM transaction), and has since drill tested, completed a surface bulk sample, advanced metallurgical testing, secured permits for Advanced Exploration development ('AdEx' via UG decline), and updated both MRE (2Q24) and PEA (3Q24).

Today's decision to initiate a PFS in 2026 positions Crean Hill as Magna's potential third mine with near-term development potential, in our view, and increases prospects for government funding support. Importantly, the 19.4Mt @ 3.0% NiEq MRE—with in-situ metal value split of ~39% PGM (Pt+Pd+Au), 33% Ni, and 24% Cu (at spot prices)—is fully retained by Magna and excluded from any Franco-Nevada agreement.

The existing AdEx permits enable a rapid path to production. The 3Q24 PEA outlined economics based on 195.5Mlbs Ni, 169.5Mlbs Cu, 313koz Pt, 359koz Pd, and 117koz Au mined over a 13Y LOM. The permitted AdEx provides quick turn-around to a production scenario in our view, hence we see a significant opportunity. Updating the prior PEA metal price deck to current spot levels alone roughly doubles NPV in our model, before capturing potential upside from recent bulk sample/metallurgical results and improved third-party ore sale terms (as evidenced by current shipments from McCreedy West). Also worth highlighting today is the PFS work will be completed by Technica Mining – a locally established private mining contractor/consultant. As such, we expect the study to incorporate real costs and mining practices – given the company's extensive experience with operating in Sudbury – further derisking future operations.

For now, **we maintain our BUY rating and our C\$3.10/sh PT**, based on a ~C\$1.3bn SOTP valuation for the group at 0.7x NAV7% using US\$4.05/lb Cu LT for the Sudbury assets. In less than a year, Magna has transformed itself from a two-asset explorer/developer to a producer with resources on six Sudbury assets (incl. historic Kirkwood/Podolsky). With C\$69m cash (3Q25 cash + \$6.1m warrants exercised in November), the company is well funded to execute on the ongoing McCreedy ramp-up and broader exploration growth story. Successful execution should further Magna's market visibility in 2026.

Figure 1. (A) regional plan view of Magna assets in Sudbury and (B) Crean Hill MRE long-section



Source: Magna Mining

Crean Hill PFS expected in 3Q26; AdEx permits provide near-term production optionality

Today, Magna announced that Technica Mining Inc will commence a PFS in January 2026 on its 100% owned Crean Hill Project with an expected completion in 3Q26. This will build on results from the 2H24 20kt bulk sample and 3Q24 PEA that saw an after tax NPV8% of C\$194.1m and 129% IRR from a 2,200tpd UG mining operation producing 195.5Mlbs Ni, 169.5Mlbs Cu, 313koz Pt, 359koz Pd and 117koz Au over a

13Y LOM. The PEA envisioned a 15-month Advanced Exploration (AdEx) program followed by 12-months of pre-production ramp-up ahead of the 13-years of commercial production all on an ore-sales basis to a third-party mill. Mining is contemplated by ramp access via a new surface portal with eventual rehab/establishment of the historic #2 shaft. Permits for the commencement of the AdEx are in hand. During the year, the company moved forward with engineering at Crean Hill for both a connection to grid power and permanent dewatering system.

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
- CY25: Levack surface / UG exploration drilling
- CY25: Crean Hill engineering, dewatering and progression of grid power
- 4Q25: Levack restart plan
- 1Q26: McCreedy MRE/reserve statement
- 3Q26: Crean Hill PFS

Research

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Ticker: NICU CN	Price / mkt cap: C\$2.55/sh, C\$637m	P/NAV today: 0.58x	Country: Canada, Ontario
Author: B Gaspar	Rec / PT: BUY, C\$3.1/sh	1xNAV7%: C\$4.36/sh	Asset: Sudbury

Commodity price	CY24A	CY25E	CY26E	CY27E	CY28E
Cu price (US\$/t)	9,264	9,550	9,263	8,953	8,929
Cu price (US\$/t, payable)	5,614	5,788	5,614	5,425	5,411
SOTP project valuation*	C\$m	o/ship	NAVx	C\$/sh	
McCreedy + Levack @ 4Q25	787	100%	1.00x	2.74	
SCPe Crean Hill	280	100%	1.00x	0.97	
SCPe nominal exploration upside	150	100%	1.00x	0.52	
Resources ex inv'try ex Shak'pr @ 1% in-situ	125	100%	1.00x	0.43	
Franco Stream (C\$m)	(170)	100%	1.00x	(0.59)	
Central G&A + finance NPV (C\$m)	(0)	100%	1.00x	(0.00)	
FY 3Q25 cash + warrants	69	100%	1.00x	0.24	
Cash from ITM options/warrants	11	100%	1.00x	0.04	
1XNAV C\$	1,253			4.36	

*Build start, ex fin. cost + G&A, dil. for optns not build P/NAV today: 0.58x

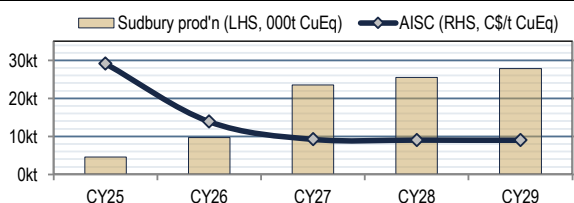
Asset value: 1xNPV project (C\$m, ungeared)*					
Asset NPV (C\$m)	8,000	8,500	8,929	9,800	10,800
9.0% discount	691	707	720	747	778
7.0% discount	756	773	787	817	850
5.0% discount	830	849	864	897	933
Ungeared project IRR:	0%	0%	0%	0%	0%
Asset NPV (C\$/sh)	8,000	8,500	8,929	9,800	10,800
9.0% discount	2.41	2.46	2.51	2.60	2.71
7.0% discount	2.63	2.69	2.74	2.84	2.96
5.0% discount	2.89	2.95	3.01	3.12	3.25

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

Group valuation over time^	Dec-25	Dec-26	Dec-27	Dec-28	Dec-29
McCreedy + Levack	787	821	804	731	642
SCPe Crean Hill	280	280	280	280	280
SCPe nominal exploration upside	150	150	150	150	150
Resources ex inv'try ex Shak'pr @ 1% ii	125	125	125	125	125
Franco Stream (C\$m)	(170)	(170)	(170)	(170)	(170)
Central G&A and finance costs	(58)	(47)	(36)	(24)	(14)
Net cash prior quarter	48	47	78	159	253
Cash from ITM options/warrants	11.3	11.3	11.3	11.3	11.3
Total NAV (C\$m)	1,173	1,218	1,243	1,262	1,277
FF FD share count (m)	287	287	287	287	287
1xNAV7%/sh FF FD (C\$/sh)	4.08	4.24	4.32	4.39	4.45

1xNAV/sh company @ 2026 commercial production (C\$, geared)^					
1xNAV (C\$m)	8,000	8,500	8,929	9,800	10,800
9.0% discount	1,142	1,159	1,173	1,202	1,236
7.0% discount	1,184	1,202	1,218	1,249	1,285
5.0% discount	1,233	1,252	1,269	1,303	1,342
1xNAV (C\$/sh)	8,000	8,500	8,929	9,800	10,800
9.0% discount	3.98	4.03	4.08	4.19	4.30
7.0% discount	4.12	4.19	4.24	4.35	4.47
5.0% discount	4.29	4.36	4.42	4.53	4.67

Production (Y1 from 2Q25)	CY25	CY26	CY27	CY28	CY29
SCPe production (000kt CuEq)	4.6	9.7	23.6	25.5	27.8
AISC Co-prod. (US\$/lb CuEq)	5.82	2.78	1.85	1.81	1.80
Copper revenue (%)	69%	63%	25%	24%	24%



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

Resource/Inventory	Mt	NiEq %	Sudbury	Mt	NiEq %
Shakespeare pit inventory	12 Mt	0.7%	Pit M&I&I	17 Mt	0.7%
SCPe UG inventory	18 Mt	1.9%	UG M&I&I*	73 Mt	1.4%
Total	30 Mt	1.4%	Total*	89 Mt	1.3%

Note: NiEq using SCPe LT metal prices; *incl. Historic KGHM MRE

Share data (m)			
Shares (m)	249.8	FF FD Shares (m)	287.3
Fully-funded Shares (m)	287.3		

CY25-27 Funding: uses		Sources	
SCP Exploration spend (C\$m)	9	Pro forma cash+ ITM op (C\$m)	71
SCPe UG dev. Capex (C\$m)	15	Operating CF to CY27(C\$m)	57
SCPe UG Sus. Capex (C\$m)	9	SCPe equity (C\$m)	0
Working cap (C\$m)	5		

Total uses (C\$m)	37	Total sources (C\$m)	128
Buffer (C\$m):	91		

Ratio analysis	CY24E	CY25E	CY26E	CY27E	CY28E
Shares out (m)	194.9	249.8	249.8	249.8	249.8
EPS (C\$/sh)	-	0.3	-	25.4	29.0
CFPS before w/c (C\$/sh)	-	-	-	14.2	31.8
EV (C\$m)	479.5	571.2	594.0	538.9	456.8
FCF yield (%)	-	-	-	9%	13%
EV/EBITDA	-	-	35.7x	4.5x	3.4x

Income statement	CY24E	CY25E	CY26E	CY27E	CY28E
Revenue (C\$m)	-	61.2	126.7	293.7	315.3
COGS (C\$m)	-	61.5	77.6	128.1	136.1
Gross profit (C\$m)	-	(0.3)	49.1	165.6	179.3
G&A (C\$m)	7.4	7.9	6.3	6.3	6.3
Exploration (C\$m)	10.1	8.4	6.0	6.0	6.0
Finance costs (C\$m)	0.2	3.4	1.5	1.5	1.5
Tax (C\$m)	-	(4.6)	12.2	42.9	46.4
Other (C\$m)	(1.4)	(16.1)	24.2	45.3	46.7
Net income (C\$m)	(16.3)	0.7	(1.2)	63.5	72.4

Cash flow statement	CY24E	CY25E	CY26E	CY27E	CY28E
EBITDA (C\$m)	(16.5)	(25.0)	16.6	119.2	132.9
Add share based (C\$m)	1.8	3.5	4.7	4.7	4.7
Net change wkg cap (C\$m)	0.2	(19.1)	10.6	19.5	2.8
Cash flow ops (C\$m)	(17.8)	(9.3)	(2.8)	60.1	87.2
PP&E - build + sust. (C\$m)	(0.0)	(15.1)	(20.0)	(5.0)	(5.0)
PP&E - expl'n (C\$m)	-	-	-	-	-

Cash flow inv. (C\$m)	(0.2)	(14.5)	(20.0)	(5.0)	(5.0)
Share issue (C\$m)	24.9	90.1	-	-	-
Debt draw (repay) (C\$m)	(0.2)	-	-	-	-
Cash flow fin. (C\$m)	24.6	87.3	-	-	-

Net change in cash (C\$m) 6.6 63.5 (22.8) 55.1 82.2

Balance sheet	CY24E	CY25E	CY26E	CY27E	CY28E
Cash (C\$m)	17.5	81.1	58.3	113.4	195.5
Acc rec. + invet. (C\$m)	4.4	8.4	19.4	42.1	45.9
PP&E & expl'n (C\$m)	17.6	106.9	122.7	116.3	108.5
Total assets (C\$m)	39.6	196.3	200.3	271.8	349.9
Debt (C\$m)	-	15.3	15.3	15.3	15.3
Accounts payable (C\$m)	3.6	7.1	7.5	10.7	11.7
Others (C\$m)	21.0	87.9	76.1	153.9	239.9
Total liabilities (C\$m)	4.5	79.3	79.7	83.0	84.0
Shareholders' equity (C\$m)	71.3	142.5	147.3	152.0	156.7
Reserves (C\$m)	5.4	15.4	15.4	15.4	15.4
Retained earnings (C\$m)	(41.6)	(40.9)	(42.1)	21.5	93.9
Liabilities + equity (C\$m)	39.6	196.3	200.3	271.8	349.9

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Summary of Recommendations as of December 2025	
BUY:	58
HOLD:	0
SELL:	0
UNDER REVIEW:	0
TENDER:	0
NOT RATED:	0
TOTAL	58

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