SCP EQUITY RESEARCH

Precious Metals

Avanti Gold (AGC CN)

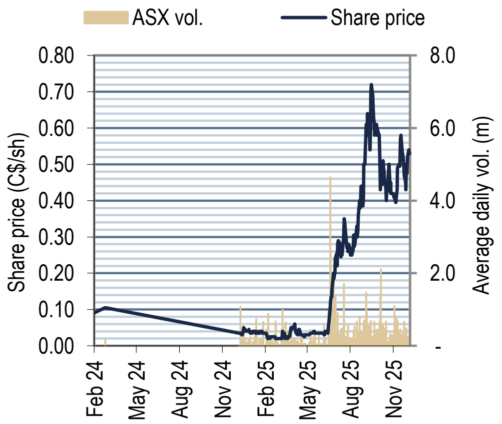
Initiation: 3.1Moz with district scale potential as US returns to DRC

RECOMMENDATION: ***BUY*** | *PRICE TARGET:* **C$1.00/sh** | *RISK RATING:* ***HIGH***

SHARE DATA

Shares (basic, FD)	180 / 257
52-week high/low (C$/sh)	0.02 / 0.72
Market cap (C$m)	95
Net cash (debt) (C$m)	25.1
FD EV (US$m)	81
Average daily value (US$000, 3M)	0.17
EV/oz (US$/oz)	26
1.0xNAV @ US$50/oz in-situ (US$m)	182
1.0xNAV FD (C$/sh)	0.97

Sir Samuel Jonah	Chairman
Terry Holohan	Lead Independent Director
Martin Pawlitschek	Director
Mohammed Cisse	Acting CEO & COO
Swapan Kakumanun	Chief Financial Officer



Source: SCPe; Factset for trading metrics

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CSE-listed DRC explorer with 3.1Moz at 2.4g/t

Avanti is a CSE-listed Au explorer with 3.1Moz at 2.4g/t at the flagship Misisi Project (73.5% AGC, 21.5% MMG, 5% Govt) in South Kivu, eastern DRC. In July, following the US-DRC-Rwanda peace deal, Avanti completed a small raise to bring on Martino De Ciccio (Montage Gold CEO), revamped management and the board, and completed a C$25m equity offering in October 2025.

District scale potential with 2.1km strike over a 55km belt

What appeals to us is the size and scale of gold endowment with Geochem anomalies over 55km of strike at Misisi. The 3.1Moz resource covers 2.1km of strike at the Akyanga deposit based on 22,000m of drilling on 100m lines. Avanti is targeting drilling commencement in 1Q26 testing Akyanga extensions plus five new drill-ready targets for a planned 15,000m diamond drilling program.

Captain America to the rescue – US steps in to stabilize region

Although the Misisi project is in southern end of South Kivu and ~200km south of the conflict with M23 rebels, the project was indirectly impacted by the conflict, namely the perception of risk and difficulty raising funds. The funding situation was transformed following the 27 June 2025 Peace Agreement between Rwanda and the DRC announced by the US State Dept, which was formalized by the Washington Accords signed on 5 December 2025 by Presidents Kagame (Rwanda) and Tshisekedi (DRC). We think this is part of broader efforts by the US to re-engage economically, and we think western miners will receive strong Western state backing including funding and diplomatic support.

The A-team: Heavy hitting management team transforms company

The changes announced in the past year result in a strong and experienced management team and board. Acting CEO Mohamed Cisse has done it all, from tech services manager to mine manager at Randgold (Kibali) and Managing Director at Resolute (Syama). Director Martin Pawlitschek is an experienced geologist and current CEO at Sanu Gold, one of Guinea's most promising explorers). Other senior board members/major shareholders include Chairman Sam Jonah, Director Terry Holohan (metallurgist, led turnaround at Resolute Mining), and major shareholder Martino De Ciccio (CEO at Montage Gold).

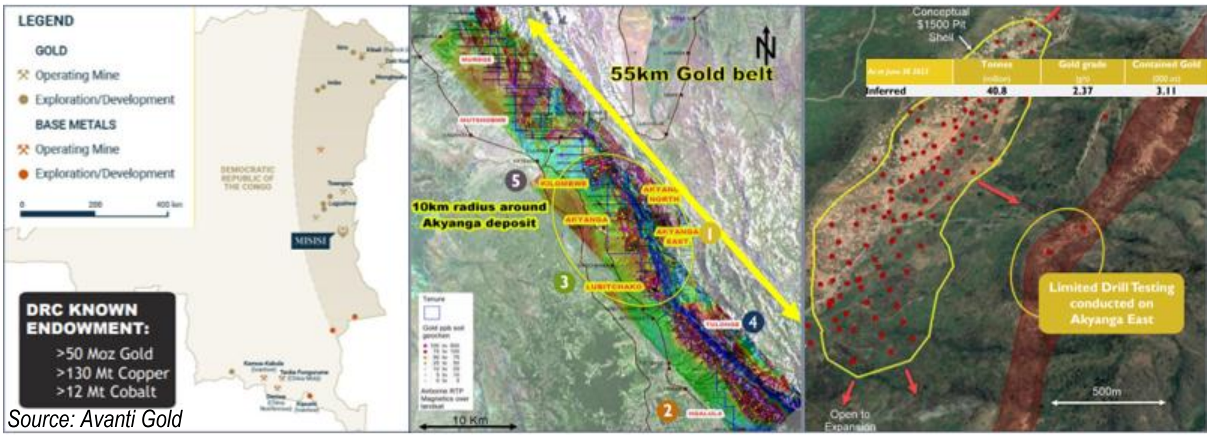
Initiate with BUY rating and C$1.00/sh price target

Currently African producers trade at US$915m EV/100kozpa or US$275/oz EV/resource, with developers trading at US$145/oz. Loncor's takeout multiple (100% basis) was SCPe US$50/oz. We think the goal here is to define a 5Moz MRE which we think could trade at US$300-500m as it progresses through studies and capable of supporting a 10-year 250-300kozpa mine life supportive of a US$2-3bn market cap. For now, we apply a US$50/oz EV-insitu multiple (100% basis) for Misisi (~US$114m / C$156m) and add US$50m for exploration upside, which, with cash, ITM options, and liabilities, generates a US$182m NAV (C$249m). We initiate with a Buy rating and C$1.00/sh price target.

CSE DRC explorer with 3.1Moz Misisi project targeting 5Moz over 55km trend, revamped mgmt. team

Avanti is a Canadian-listed DRC explorer with the 3.1Moz Misisi gold project in South Kivu, eastern DRC. The project totals 133km^2, controlling a 55km of the Kibaran gold belt (Twangiza, Namoya, Misisi), a Mesoproterozoic orogenic belt that has seen gold mining dating back to the 1920s. Despite the geological promise of the region, instability caused by the rebel M23 (widely alleged to be supported by Rwanda's Government)-DRC conflict limited exploration activity in the area. We think this could improve significantly as the United States has exerted significant diplomatic effort, resulting in the US-DRC-Rwanda peace accords signed in Washington. Improved sentiment has already transformed Avanti, supporting C$26.4m in capital raises since July 2025 (C$1.4m in July and C$25m in October) and significant additions to the management team, board, and shareholders. In our view the company now has a team that has the geological leadership (Director and Sanu Gold CEO Martin Pawlitschek), in country relationships (Acting CEO & COO Mohamed Cisse who was mine manager at Kibali for Randgold) and board/shareholders (incl ex Resolute CEO Terry Holohan as lead independent director, ex Ashanti Goldfields President Sir Sam Jonah as Chairman, and Montage CEO Martino De Ciccio as a major shareholder) to fund and execute exploration to target a >5Moz resource base and 250-300kozpa production potential which is enough to overcome the DRC discount.

Figure 1. (A) DRC map; (B) Airborne Mag and Geochem; (C) Plan view of Akyanga and MRE

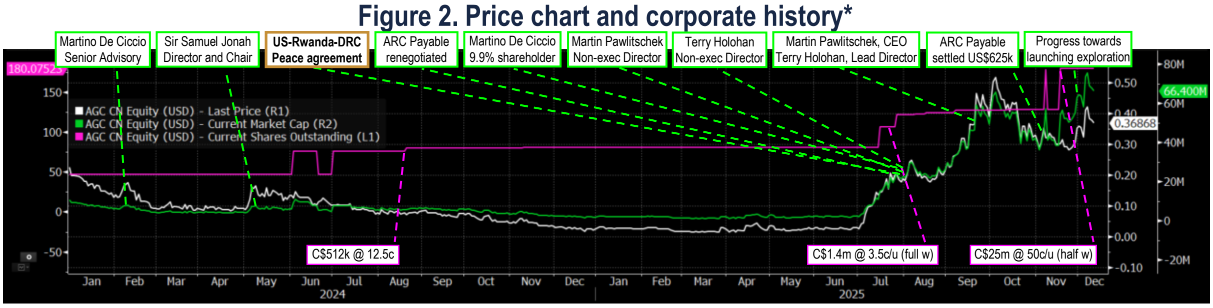


Source: Avanti Gold

Overview/History: Promising project halted due to conflict/tough markets, revived after US peace deal

Avanti Gold pivoted from Canadian exploration to the DRC in Dec 2022 when, as Valorem Resources, it acquired Regency Mining for US$100k and 16m shares, securing a ~73.5% interest in the Misisi Gold Project (3.1Moz at 2.4g/t Akyanga). Activity in 2023–2024 was restricted by access to capital and instability in South Kivu, including an incomplete C$2m financing. In April 2023, the company re-named to Avanti Gold (AGC) and added Sir Samuel Jonah (former Executive President, AngloGold Ashanti) as adviser and later Chair. Activities increased following the US mediated DRC–Rwanda peace agreement (late June 2025). In July 2025 Martino De Ciccio (CEO, Montage Gold; ex-Endeavour Mining) anchored a fully subscribed C$1.4m financing, followed by board and management reinforcement—including the addition of industry veteran Terry Holohan (former CEO of Resolute Mining) as Non-Executive Director, and Mohamed Cisse as COO (now Acting CEO), and Sanu Gold CEO Martin Pawlitschek as Director and CEO (revised to Director). The strengthened management team and improved sentiment enabled a C$25m LIFE offering in October 2025, after which Avanti settled the legacy US$1.25m Arc Minerals liability at a reduced US$625k. The plan for 2026 includes 15,000m of drilling to commence in Q1 and results from 2,100m of completed but unassayed core.

Figure 2. Price chart and corporate history*

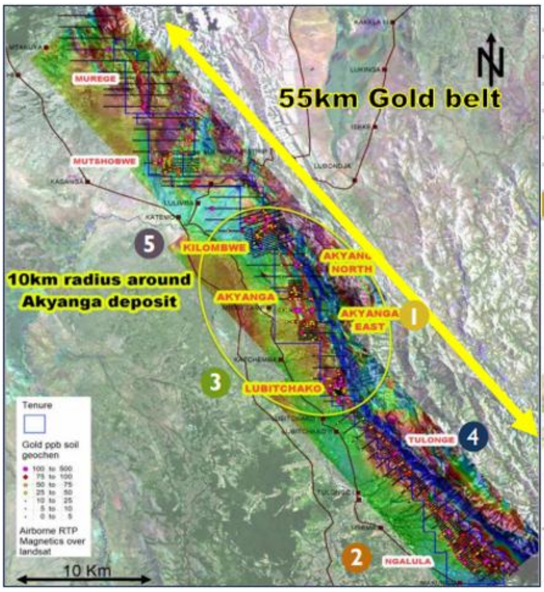


Source: SCP, Chart from Bloomberg

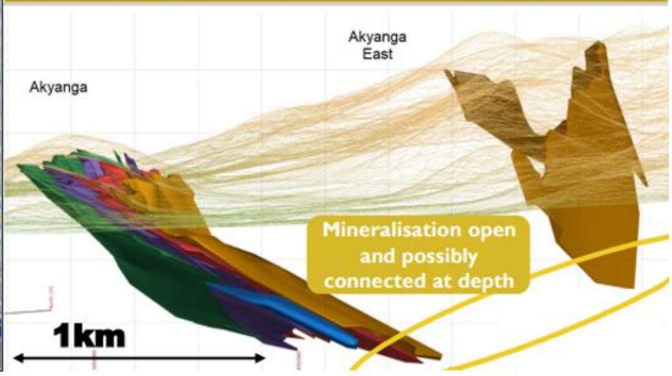
3.1Moz Misisi: District scale geology, 3.1Moz at 2.4g/t open pit resource, target is 5Moz plus in our view

We think there's significant potential to expand the current 3.1Moz MRE which is focused on 2.1km of strike at the Akyanga deposit to a depth of up to ~250m. Regional soil sampling, geophysics and artisanal activity indicates a 55km gold hosting belt, with mineralization hosted in a series of shallow dipping veins along a thrusted metasedimentary sequence. Bottle roll tests indicate mineralization is free milling at Akyanga, with tests averaging 91% gold recovery. In addition, there are five pre-resource targets currently defined, all located within truckable distance of Akyanga. A 15,000m initial drilling program is planned with 30% at Akyanga (extension along strike/depth) and 70% on growth targets already defined and summarized below. In addition, there is 2,100m of drill core from Akyanga that has yet to be assayed, that could extend mineralization along strike and down dip. We like the combination of good metallurgy, existing critical mass, and walk-up drill targets plus evidence of a district scale system with potential to add several million ounces.

Figure 3. (A) Regional map, (B) Plan view and (D) schematic of Akyanga / Akyanga E, (C) 15,000m drill program



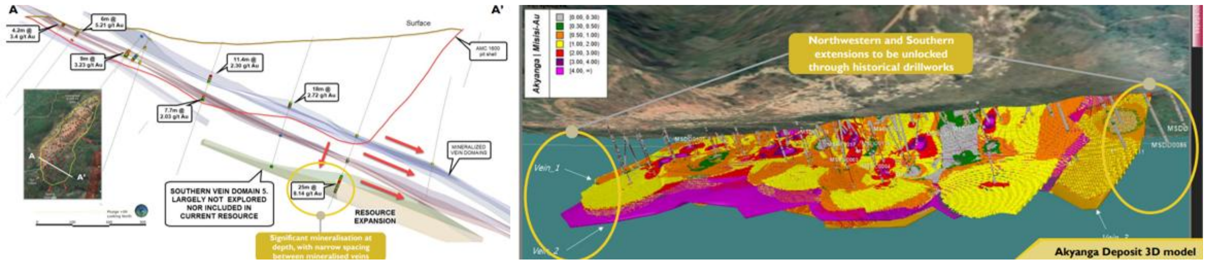
Trend Name	Planned Drilling (%)	
Akyanga	4,500m	30%
Akyanga East	3,000m	20%
Ngalula	3,000m	20%
Tulonge	1,500m	10%
Lubitchako	1,500m	10%
Kilombwe	1,500m	10%
Total Planned Meters Drilled	15,000m	100%



Source: Avanti Gold

<u>Akyanga (3.1Moz at 2.4g/t inferred MRE)</u>: The MRE covers 2.1km of strike length drilled from surface to 350m depth. The MRE is based on 19,956m of historic drilling including 105 diamond drillholes for 19,070m and six RC holes for 887m. Mineralization remains open at depth and to the south. The mineralized package consists of metasediments intruded by dolerite and/or gabbro with zones generally less than 10m thick, steepening near surface to the north and central and flattening to the south and at depth. Depth of weathering is ~30m. Gold is hosted in quartz vein zones structurally and lithologically controlled along north-south striking structures. Mineralization is located at Akyanga ridge. Cyanide bottle roll tests on early drill core (2013), indicated potential recoveries of >91% with 45-55% gravity recovery although the resource has grown at depth since then.

Figure 4. Akyanga (A) cross section and (B) long section

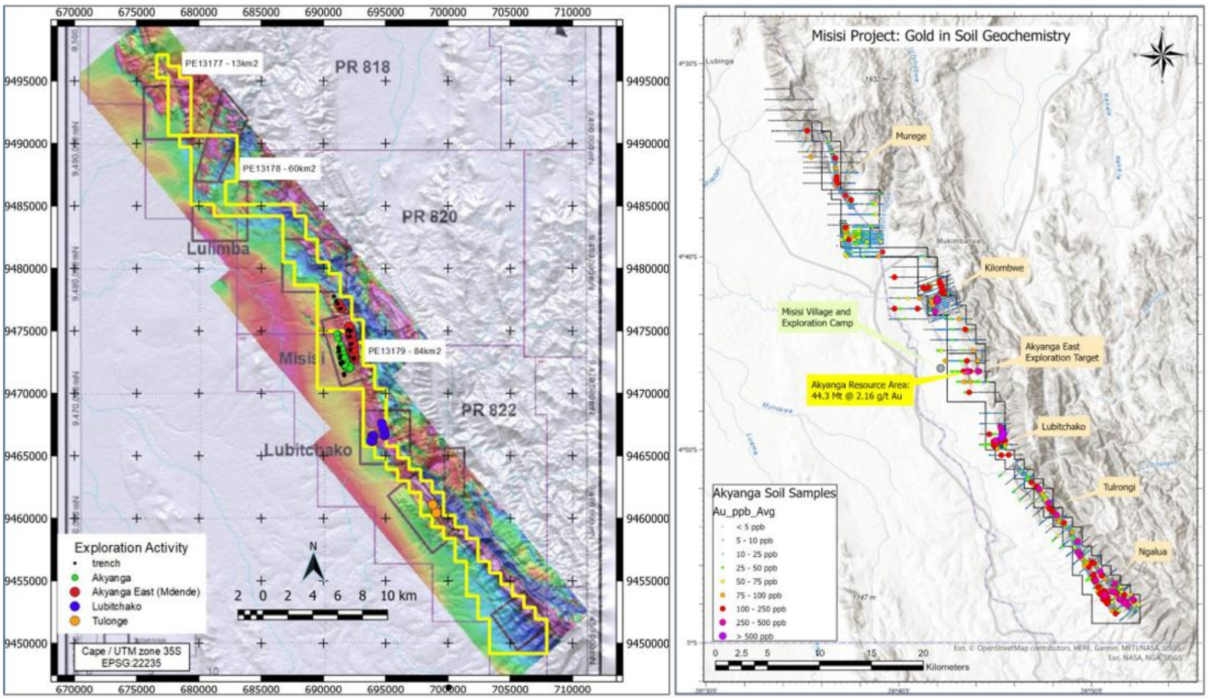


Source: Avanti Gold

Growth targets: Five drill-ready targets located within trucking distance of Akyanga

<u>Akyanga East:</u> Akyanga East is a parallel structure 500m east of Akyanga. Mineralization is traced for 5.5km along strike primarily through artisanal workings. Ten drill holes totalling ~1,200m were completed in 2013 with spacing 200-500m apart, with notable hits 5.1m @ 8.5g/t, 11.1m @ 1.6g/t, 7.9m @ 3.3g/t and 13.3m @ 1.3g/t.

Figure 5. (A) Regional MAG results; (B) Gold in soil geochemistry results



Source: Avanti Gold

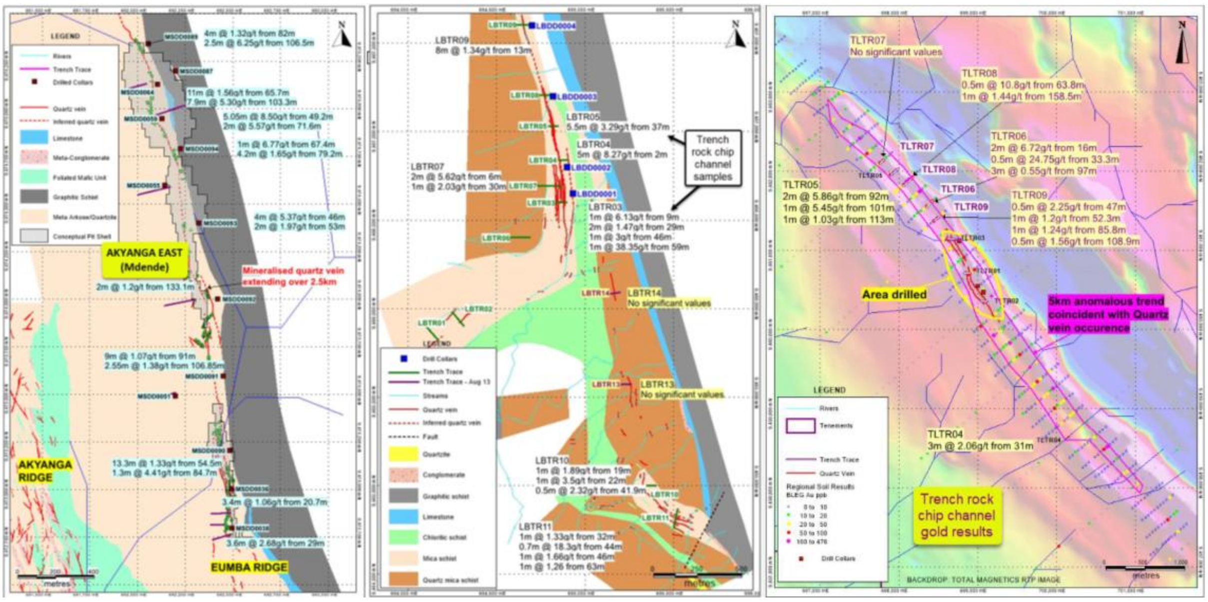
Lubitchako: Located 5km south of Akyanga, defined over 1.2km of strike. The target was identified through soil sampling and supported by follow up trenching. Four diamond holes were completed in 2013 encountering a series of stacked veins with hits including **4.2m @ 1.2g/t, 4.6m @ 6.1g/t, 2.1m @ 9.1g/t** and **10.4m @ 1.4g/t**

Tulonge: Defined over 5km of strike, 14km SE of Akyanga, identified through outcrop sampling two quartz veins sub-parallel to Akyanga. Seven diamond holes were completed testing two areas 700m apart, encountering a series of stacked quartz veins. Intercepts included **6.2m @ 5.2g/t, 3.4m @ 7.1g/t, 1.3m @ 13.1g/t, 3.6m @ 4.2g/t, 1.8m @ 6.6g/t,** and **1.8m @ 5.9g/t.**

Ngulula: Defined over 8km of strike 20km SE of Akyanga, identified through soil sampling (>500ppb gold in soil anomaly) and supported by positive trenching results across the 3.5km main zone in a corridor up to 600m wide.

Kilombwe: 5km NW of Akyanga, identified through soil sampling (100-500ppb gold in soil anomalies).

Figure 6. (A) Regional MAG results; (B) Gold in soil geochemistry results

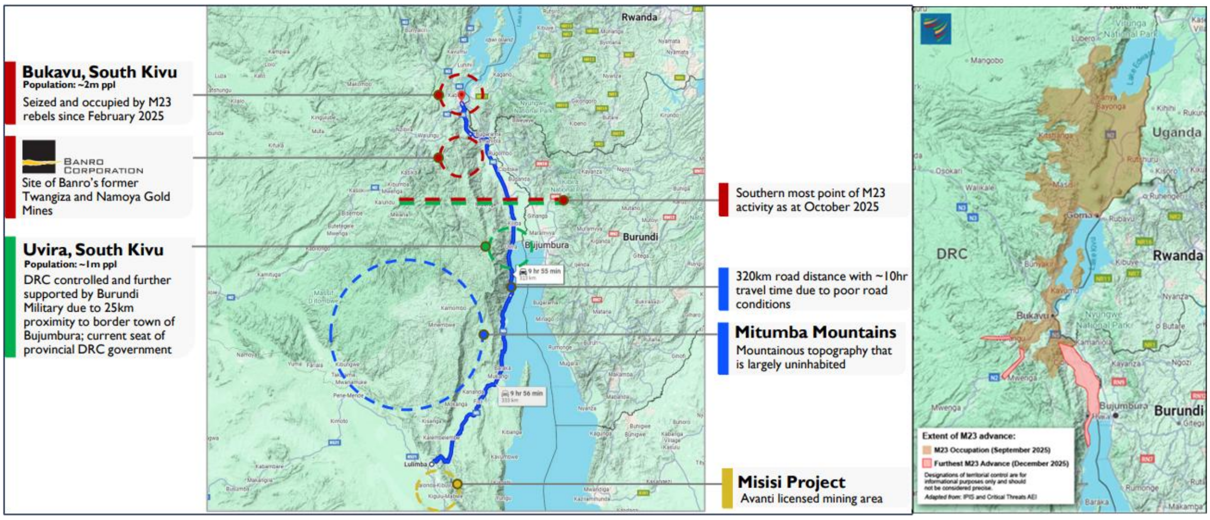


Source: Avanti Gold

200km South of M23 activity, US-backed peace deal key to re-rating and opening up the DRC

Although implementation to take several weeks to months, we think American efforts to stabilize the eastern region are a game changer for gold exploration and mining in the region. Our big picture view is the US is now trying to reinvigorate trade and investment ties in Central and Southern Africa to counter the significant position that China and Chinese companies have established, particularly in 1) direct ownership of copper, cobalt, and lithium producing mines; and 2) key port and rail infrastructure. We think key parts of the strategy are i) using diplomatic and military strength to help the regions leaders restore stability, and then "holding the ground" by re-establishing western-owned commercial assets in the region to secure a more permanent presence. The key recent development was the Washington Accords, signed on 4 December 2025 between the DRC and Rwanda, mediated by the USA and Qatar, which formalise the terms discussed in the July agreement, including Rwanda's agreement to withdraw troops from the DRC, while both sides commit to disengaging and disarming non-state groups (M23 and FDLR).

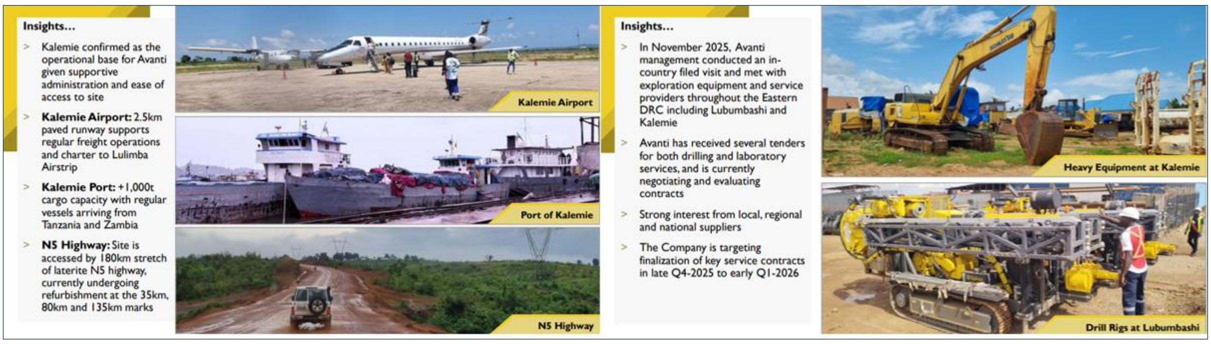
Figure 7: (A) Map of Project Region (Avanti); (B) Map supplied by ACSS showing updated positions in Dec 2025



Source: Avanti Gold; African Center for Strategic Studies (Washington DC)

<u>Impact for Avanti</u>: In our view, Avanti is probably too early to be a key strategy consideration but for investors, we think the implication is there will be strong diplomatic pressure on Rwanda to restrain M23 activity, which would remove the key security concern holding back investment in the eastern DRC. Although there are reports that M23 advanced to Uvira in December 2024, the terrain to the south is challenging and we think there will be significant pressure from the US for the DRC and Rwanda to deliver stability. A key point for us is that the project can be accessed from the port of Kalemie from the south, which is firmly in DRC control, and a recent site trip by management indicated that the site is secured and safe, there is potential to supply the site from Kalemie, and access the site via roads and a charter plane from Kalemie to nearby Lulimba. In summary, the present logistics and security are good enough to conduct drilling and exploration, and we think the medium term will bring greater stability and with it, better investor sentiment, trading multiples, access to capital and potential M&A interest.

Figure 8: (A) Transport links to site; (B) Suppliers



Source: Avanti Gold

Economics

We think the big picture opportunity here is to grow the current 3.1Moz MRE to something in the 4-5Moz range, which can support a 10-15-year mine life at 200-300kozpa; we think this would trade in the US$300-500m/range as it progresses through studies, noting Turaco and Wia are currently trading in the ~US$500-600m market cap range for 3-4Moz at present with visibility on 150-220kozpa projects. We think the 3.1Moz resource does provide a value backstop, as we think there's visibility on a viable gold project incorporating the current resource.

SCPe conceptual mine plan: Note this is meant to be indicative based on simplified assumptions – more drilling, met work, geotechnical work etc is needed to verify these parameters. To convert the 3.1Moz to a mine inventory, we note the current Akyanga MRE (40.8Mt at 2.4g/t for 3.1Moz at a 0.5g/t cutoff grade) starts from surface, covering 2.1km strike to a depth of up to 350m – this implies average thickness is 21m; this is a simplistic assumption as there are multiple mineralized structures. Using simplified assumptions of a tabular and consistent dip (note the deposit is steeper towards the north and flatter to the south), 2m of mining dilution generates a pit of ~30Mt at 2.16g/t for 2.1Moz, with 330Mt of waste (11x strip ratio). We assume a flat 3Mtpa of ore mining and processing schedule.

Loncor 2021 Adumbi PEA: We use Loncor's PEA as a guide, which assumed a 5Mtpa CIL processing circuit, 49.8Mt at 2.17g/t for 3.48Moz mine inventory at a 11.0x strip ratio, 10.3-year mine life and 89.8% recovery, producing 303kozpa. Loncor used two cases, one based on 32MW diesel gensets (US$0.277/kWh, US$392m total capex, US$17.95/t processing costs) and a base case including 32MW of diesel gensets, 16MW of hydropower and 20MW of solar + 12MW of battery storage (0.12/kWh power, US$530m total capex, US$14.44/t processing cost) with US$2.61/t mining costs (both cases) and US$3.4/t G&A, with US$6.43/t sustaining capital (12% of opex).

Table 1. Conceptual SCPe simplified Misisi mine plan assuming 10 years at 3.0Mtpa

	LOM	-2	-1	1	2	3	4	5	6	7	8	9	10
Gold price (US$/oz)	--	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Tonnes mined (kt)	30,000	--	--	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Grade mined (g/t)	2.15	--	--	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15
Strip ratio (x)	11.0	--	--	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Ore milled (kt)	30,000	--	--	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Grade milled (g/t)	2.15	--	--	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15
Recovery (%)	91%	--	--	91%	91%	91%	91%	91%	91%	91%	91%	91%	91%
Ounces produced (koz)	**1,887**	**--**	**--**	**189**	**189**	**189**	**189**	**189**	**189**	**189**	**189**	**189**	**189**
Unit costs (US$/t ore)	-78.0	--	--	78.0	78.0	78.0	78.0	78.0	78.0	78.0	78.0	78.0	78.0
Cash costs (US$/oz)	1,240	--	--	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240
AISC (US$/oz)	1,424	--	--	1,424	1,424	1,424	1,424	1,424	1,424	1,424	1,424	1,424	1,424
Revenue (US$m)	5,642	--	--	564	564	564	564	564	564	564	564	564	564
Cash costs (US$m)	-2,340	--	--	-234	-234	-234	-234	-234	-234	-234	-234	-234	-234
Royalties (US$m)	-197	--	--	-20	-20	-20	-20	-20	-20	-20	-20	-20	-20
Taxes (US$m)	-792	--	--	-79	-79	-79	-79	-79	-79	-79	-79	-79	-79
Minorities (US$m)	-250	--	--	--	-28	-28	-28	-28	-28	-28	-28	-28	-28
Initial capital (US$m)	-400	-200	-200	--	--	--	--	--	--	--	--	--	--
Sustaining capital (US$m)	-212	--	--	-15	-16	-15	-15	-15	-15	-15	-39	-24	-41
EBITDA (US$m)	3,105	--	--	310	310	310	310	310	310	310	310	310	310
FCF (US$m)	**1,451**	**-200**	**-200**	**216**	**187**	**188**	**188**	**188**	**188**	**188**	**164**	**179**	**162**

Source: SCP estimates

SCPe Operating Assumptions: Given the 30Mt mine inventory, we assume a 3.0Mtpa mine plan which results in a 10-year mine life. We assume a 2.15g/t head grade and 91% CIL gold recovery, resulting in 189kozpa annual production. For operating costs, we use US$4.00/t mined x 11.0x strip ratio, US$20.00/t processed, and US$10.00/t G&A, with a 3.5% government royalty, 5% government free carry, 10% other minority (we assume MMG's does not contribute and is diluted to 10%) and 30% profit tax rate. For initial capital we assume US$400m, which we feel is quite conservative. Pro-rating the US$392m Adumbi 2021 PEA capex estimate (for the diesel genset option) to 3Mtpa from 5Mtpa would result in US$235m; our US$400m estimate is 70% more capital intensive (14.2% per annum for 4 years) which we think more than accounts for capex inflation since 2021.

Outcomes: The project generates a robust 10-year mine life producing 189kozpa at US$1,424/oz AISC at our US$3,000/oz LT gold price estimate. FCF payback is two years, using a flat unoptimized mine schedule. The project generates a US$891m NPV5%, US$669m NPV8% and 39.3% IRR at US$3,000/oz. These numbers increase to US$1.95bn NPV5%, US$1.51bn NPV8% and 65.5% IRR at spot US$4,500/oz.

Our view: Our takeaway is using conservative estimates (e.g. US$4.00/t mining cost, US$10.00/t G&A) and capex, we think there's an attractive backstop scenario based on the 3.1Moz existing resource – this alone generates C$2.57/sh of $NPV_{8\%}$. As there's a 55km gold belt here that has only seen ~20,000m of drilling, the prize could be much larger and the potential to find 5Moz plus remains the main driver of our thesis.

Comps and M&A landscape: Misisi emerging as a credible development story with M&A potential

Below we highlight pre-production West and Central African gold assets, from WAF's Kiaka in Burkina Faso, recently completed, to Many Peaks' exploration assets in Côte d'Ivoire, where we see present visibility on >1Moz with good continuity over >50m widths in a granodiorite-hosted discovery at Ourigue. Avanti's Misisi compares favourably on size and grade vs companies with similar market cap. What we like here is we think Misisi has similar ounce potential to Afema, Bankan, Doropo, Kiniero and Koné, which are notable recent examples of assets that are of standalone company, or mid-tier acquisition target scale. Our takeaways from the below are i) there are few assets with >150kozpa potential, and even fewer >200kozpa assets; ii) Misisi compares well vs peers on open pittable size and grade with growth potential.

Table 2. Select African gold assets

	WAF	Robex	Montage	EDV	Resolute	Predictive	Turaco	Newcore	Toubani	WIA	Loncor	Aurum	Aurum	African Gold	Avanti	Sanu	Many Peaks
Single / Multi Asset	Multiple	Multiple	Multiple	Multiple	Multiple	Single	Single	Single	Single	Multiple	Multiple	Multiple	Multiple	Multiple	Single	Multiple	Multiple
Key Asset (s)	Kiaka	Kiniero	Koné	Assafou	Doropo	Bankan	Afema	Enchi	Kobada	Kokoseb	Adumbi	Boundiali	Napie	Didievi	Misisi	Daina / Guinea	Multiple
Jurisdiction	Burkina Faso	Guinea	Côte d'Ivoire	Côte d'Ivoire	Côte d'Ivoire	Guinea	Côte d'Ivoire	Ghana	Mali	Namibia	DRC	Côte d'Ivoire	Côte d'Ivoire	Côte d'Ivoire	DRC		Côte d'Ivoire
Stage	Ramp Up	First Pour	Construction	Development	Development	Development	Resource	Development	Development	Development	Development	Resource	Resource	Resource	Resource	Exploration	Exploration
Free Carry (%)	15%	15%	10%	10%	10%	15%	10%	10%	10%	20%	10%	10%	10%	10%	5%	15%	-
Issuer Ownership (%)	85%	85%	90%	90%	90%	85%	90%	90%	65%	80%	85%	80-100%	90%	90%	74%	75%	65%
Mine type	**OP**	**OP**	**OP**	**OP**	**OP**	**OP/UG**	**OP/UG**	**OP**	**OP**	**OP**	**OP/UG**	**OP / UG**	**OP**	**OP / UG**	**OP**	**OP**	**--**
Reserves & Resources (100% Basis)																	
Total Resources (Mt)	278.8	116.5	311.5	76.9	114.2	103.6	102.9	88.3	71.0	89.0	50.7	77.0	22.5	12.4	40.8	--	--
Grade (g/t AuEq)	0.8	1.0	0.6	1.9	1.2	1.7	1.2	0.6	1.0	1.0	2.4	1.0	1.2	2.5	2.4	--	--
Ounces (Moz AuEq)	7.5	3.7	6.2	4.8	4.4	5.5	4.1	1.7	2.2	2.9	4.0	2.4	0.9	1.0	3.1	--	--
Total Reserves (Moz)	156.4	45.6	174.4	72.8	59.1	51.6	--	--	53.8	--	--	--	--	--	--	--	--
Grade (g/t AuEq)	0.9	1.0	0.7	1.8	1.3	1.8	--	--	0.9	--	--	--	--	--	--	--	--
Ounces (Moz AuEq)	4.5	1.4	4.0	4.1	2.5	3.0	--	--	1.6	--	--	--	--	--	--	--	--
Economic Study																	
Study	2024 FS	SCPe	SCPe	2024 PFS	SCPe	2025 DFS	SCPe	2024 PEA	2025 DFS	25 Scop / SCPe	2021 PEA	--	--	--	--	--	--
Mine Life (yrs)	20yrs	11yrs	16yrs	15yrs	13yrs	12yrs	10yrs	9yrs	9yrs	11yrs	10yrs	--	--	--	--	--	--
Nameplate Capacity (Mtpa)	8.7	6.0	11.0	5.0	5.4	4.5	6.0	8.1	6.0	5.3	5.0	--	--	--	--	--	--
Throughput (Mt)	172.3	55.4	171.7	72.8	59.1	54.5	62.1	69.8	53.8	58.9	49.8	--	--	--	--	--	--
Production (Kozpa AuEq)	234	144	247	266	169	248	202	122	162	146	303	--	--	--	--	--	--
OP Mining Costs (US$/t mined)	3.16	3.42	2.74	3.78	4.10	4.77	3.50	2.14	3.15	2.81	2.61	--	--	--	--	--	--
Processing Costs (US$/t milled)	12.81	11.30	10.00	12.26	14.50	20.11	15.67	4.09	8.42	14.16	14.44	--	--	--	--	--	--
G&A (US$/t milled)	2.26	2.10	1.50	4.11	3.50	3.20	3.50	0.67	1.84	2.39	3.40	--	--	--	--	--	--
AISC (US$/oz AuEq)	1,196	1,090	1,016	936	1,294	1,057	1,422	1,018	1,175	1,447	950	--	--	--	--	--	--
Initial Capex (US$mm)	566	243	860	734	516	463	378	106	216	414	530	--	--	--	--	--	--
Sustaining Capex (US$mm)	476	81	102	281	172	209	124	92	--	35	305	--	--	--	--	--	--
NPV5% (US$m)**	1,183	1,563	2,373	1,526	1,457	1,637	1,727	371	500	803	624	--	--	--	--	--	--
IRR (%)**	27%	77%	31%	28%	49%	46%	67%	58%	58%	43%	21%	--	--	--	--	--	--
Gold Price Assumption (US$/oz)	2,100	3,000	3,000	2,000	3,000	2,400	3,000	1,850	2,200	3,000	1,600	--	--	--	--	--	--
Valuation^																	
EV (US$m)	2,524	716	2,472	13,939	1,747	1,230	463	111	54	411	194	86	86	182	81	76	72
Market Cap (US$m)	2,408	958	2,652	12,785	1,837	1,366	615	123	164	495	197	170	170	243	70	93	82
Capex Intensity	0.48x	0.16x	0.36x	0.48x	0.35x	0.28x	0.22x	0.29x	0.43x	0.52x	0.85x	--	--	--	--	--	--
P/NPV	2.04x	0.61x	1.12x	nmf	nmf	0.83x	0.36x	0.33x	0.33x	0.62x	0.32x	nmf	nmf	--	--	--	--
EV/resources (US$/oz AuEq)	$335	$192	$399	nmf	nmf	$222	$114	$65	$25	$140	$49	nmf	nmf	$184	$26	--	--
EV/reserves (US$/oz AuEq)	$558	$504	$616	nmf	nmf	$416	--	--	$35	--	--	nmf	nmf	--	--	--	--

Source: Company Filings, Technical Reports, SCPe estimates; ^Factset estimates used for trading metrics. SCP estimates used for Robex, Montage, Resolute, Turaco, and WIA mine site unit costs, NPV, & IRR; Avanti valuation metrics based on SCPe estimates; EV/oz metrics shown on an 100% basis

In Table 3, we rank a select group of African gold developers by market cap and benchmark them against Avanti. The peer group trades at an average EV/oz of ~US$145/oz on a 100% basis, with later-stage developers such as Robex (first gold poured) and Montage (in construction) valued at US$150-400/oz. Loncor Gold was acquired for C$261m cash (on announcement), SCPe US$50/oz (100% basis), while Avanti currently trades at ~US$26/oz (100% basis). Our takeaways here are there's significant re-rating potential for Avanti to close the gap to Loncor's acquisition price, but there's significant runway from there (~US$50/oz) to where the advanced developers trade (US$150-200/oz). We think Avanti has the asset quality and size potential to become a coveted target, so the key question for M&A is comfort on jurisdiction. The Loncor example shows that Chinese companies are willing to buy and develop in the DRC, and we think Western companies could emerge as potential acquirors in the next 2-3 years as the security situation improves and Western Government engagement increases.

Table 3. African gold developers

						EV/oz (100%)		Key Asset Metrics			Valuation		
Company	**Ticker**	**Market**	**Sh Px**	**Mcap**	**EV**	**Reserve**	**Resource**	**Grade**	**Prodn**	**AISC**	**TAC**	**EV/NPV**	**EV/100kozpa**
			Local $/sh	US$m	US$m	US$/oz	US$/oz	g/t	kozpa	US$/oz	US$/oz	x	x
Africa													
Montage	MAU	CN	$9.98	$2,652	$2,472	$616	$399	0.80	198		RESTRICTED		
Predictive	PDI	AU	$0.78	$1,366	$1,230	$404	$222	1.91	213		RESTRICTED		
Robex	RBX	CN	$5.19	$958	$716	$504	$159	0.98	137		RESTRICTED		
Turaco	TCG	AU	$0.87	$615	$463	--	$114	1.17	190	$1,483	$1,886	0.2x	$444
Wia Gold	WIA	AU	$0.50	$495	$411	--	$140	0.97	83	$1,460	$1,960	0.4x	$999
African Gold	A1G	AU	$0.66	$243	$182	--	$184	--	--		RESTRICTED		
Loncor Gold	LN	CN	$1.35	$197	$194	--	$49	2.17	303	$950	$1,182	0.3x	$239
Toubani Resources	TRE	AU	$0.39	$164	$54	$35	$25	0.90	162	$1,175	$1,403	0.1x	$167
Aurum	AUE	AU	$0.73	$170	$86	--	$26	--	--	--	--	--	--
Newcore	NCAU	CN	$0.64	$123	$111	--	$65	0.60	122	$1,402	$1,613	0.1x	$190
Xtra-Gold Resource	XTG	CN	$3.46	$117	$106	--	$86	--	--	--	--	--	--
Asara	AS1	AU	$0.10	$108	$64	--	$70	--	--	--	--	--	--
Sanu	SANU	CN	$0.30	$93	$76	--	--	--	--	--	--	--	--
Many Peaks	MPK	AU	$0.92	$82	$72	--	--	--	--	--	--	--	--
Pasofino Gold	VEIN	CN	$0.67	$74	$55	$20	$14	1.30	172	$1,005	$1,221	0.1x	$286
Awale	ARIC	CN	$0.63	$48	$36	--	--	--	--	--	--	--	--
Enegex	ENX	AU	$0.27	$46	$13	--	--	--	--	--	--	--	--
Roscan	ROS	CN	$0.16	$50	$45	--	$37	--	--	--	--	--	--
Santa Fe Minerals	SFM	AU	$0.31	$23	$14	--	--	--	--	--	--	--	--
Average / Sum				**$7,622**	**$6,401**	**$366**	**$145**	**1.29**	**1,578**	**$1,145**	**$1,642**	**0.3x**	**$612**
Avanti Gold Corp	**AGC**	**CN**	**$0.53**	**$70**	**$81**	**--**	**$26**	**--**	**--**	**--**	**--**	**--**	**--**

Source: Factset market data as of 2025-12-24, Company public filings, SCPe estimates were used for covered names, Loncor Gold based on SCPe estimates

Stepping back and following up on our African Gold sector note in July, where we highlighted the favourable M&A dynamics (more cash flowing acquirors and few advanced projects), we think this dynamic has intensified in 2H25. Several mergers were announced, including Predictive-Robex (with Perseus also bidding for Predictive), Montage-African Gold, and Loncor's accepted offer from Chengtun Mining in an all-cash C$261m transaction (SCPe US$50/oz). The Loncor transaction (guided to close in 1Q26 having completed shareholder and court approvals with final closing subject only to remaining regulatory consent) is a relevant transaction showing continued Chinese interest in African gold projects, and willingness to transact in the eastern DRC (north Kivu in the case of Loncor's project). Although Western mid-tiers have yet to become more active in the DRC, our takeaway from the pyramid below is Africa-focused producers have few alternatives and there's quite a few cash flowing producers that will either need to grow and diversify or become consolidation candidates themselves.

Figure 9: African Gold industry pyramid

Source: SCPe, (1) Robex lifted bid mid-Dec 2025 to merge with Predictive with a favourable shareholder vote announced 31 Dec 2025, Montage announced acq. of African Gold late Nov 2025, Chengtun Mining confirms shareholder approval to acq. Loncor early Dec 2025

Recommendation: Initiate coverage with BUY rating and C$1.00/sh PT based on US$50/oz EV-insitu

What attracts us to Avanti is the combination of a 55km gold belt with 3.1Moz at 2.4g/t with only 20,000m of drilling, new management team and shareholders with a successful track record, and ability to get in at a ground floor on DRC sentiment which we think will change as US / western reengagement becomes better understood by the market. As a starting point, we assign a US$50/oz target multiple to the 3.1Moz MRE for US$114m (C$156m). We add US$50m for exploration upside (equivalent to ~1.0Moz of discoveries) and adjust for cash, ITM options, and current cash liabilities to generate a US$182m NAV (C$249m), C$1.00/sh. We initiate with a Buy rating, and High-risk rating, in line with our risk rating for companies with an MRE but no economic studies.

Table 4. SCP (A) SOTP valuation and (B) sensitivities for Misisi

Ticker: AGC CN		Price/mkt cap:	C$0.53/sh, C$95m	Group P/NAV today:	0.53x	Asset:	Misisi
Author: J Chan		Rec / 1xNAV PT:	BUY, C$1.00/sh	1xNAVFD:	C$0.97/sh	Country:	DRC

Share data	US$m	C$m	O/ship	NAVx	C$/sh
	Basic	FD			
Shares (m)	180.2	257.3			
SOTP *project* valuation*					
	US$m	**C$m**	**O/ship**	**NAVx**	**C$/sh**
EV/insitu NAV @ US$50.0/oz	**114**	**156**	100%	1.0x	0.60
SCPe nominal exploration upside	50	68	-	1.0x	0.27
Cash	16.2	22.2	-	1.0x	0.09
ITM options	6.7	9.1	-	1.0x	0.04
Outstanding liabilities	(4.6)	(6.3)	-	1.0x	(0.02)
SCPe Group 1xNAV	**182**	**249**		PT:	**1.00**
**Ex G&A and fin. costs*				Market P/NAV:	0.53x

Source: SCP estimates

Commodity price	CY26E	CY27E	CY28E	CY29E
Au (US$/oz)	3143	3000	3000	3000

Resources	Ownership (%)	Tonnes	Au	Au
Measured	100%	0.0Mt	0.0g/t	0.00Moz
Indicated	100%	0.0Mt	0.0g/t	0.00Moz
Inferred	100%	40.8Mt	2.4g/t	3.11Moz
Total M&I&I	**100%**	**40.8Mt**	**2.4g/t**	**3.11Moz**

Catalysts

- 1Q26: Key management appointments, award drilling contract, commence 15,000 exploration program
- Mid-2026: Phase 1 drilling results
- 4Q26: Launch Phase 2 exploration results focused on resource conversion and definition of best targets

Risks

- Security**:** M23 activity has reached Uvira, ~200km north of the project (roughly 8h by road) through mountainous terrain. The project remains in government-controlled areas and is accessed via Kalemie to the south. Management visited site in December 2025 and determined that conditions and the supply chain are sufficient to commence exploration. There is also artisanal mining activity on site which is common in West and Central African gold exploration projects. Although we think conditions are sufficient to advance the projects, it is worth monitoring. Moreover, we think improvements in the regional security situation would be positive for sentiment for Avanti specifically.
- Geology / resource model: Moderate - drilling shows good continuity but is on 100m spacing and will require infill to declare reserves. The resource modelling parameters are standard, and the resource was completed at a US$1,600/oz gold price which is well below current spot (~US$4,400/oz at time of writing).
- Mining: Low – mineralization starts at surface and mineralization appears strongly associated with quartz veining (visually identifiable). There is little information on rock quality so further geotechnical work is needed to determine achievable pit angles. Conglomerate-hosted deposits are commonly mined successfully in open pits and can be strong where well-cemented – further study/information would help refine assumptions further but we don't see specific red flags at this stage.
- Processing / Metallurgy: Moderate - Early bottle roll tests indicate mineralization is free milling but more testing is required including bulk sample tests on deeper mineralization, and optimization testing to determine ideal grind size and leach parameters.
- Site / Infrastructure: Not so much a risk but it is a cost consideration for capex and opex – we think road access road improvement would likely be undertaken as part of a mine build. Grid power is not presently available, although there is a nearby hydropower station that could be refurbished, so we currently expect a mining operation to run on diesel generators.
- Permitting: Misisi has a mining licence so would require an environmental permit. Overall we view permitting as a low risk compared to in other jurisdictions.
- Funding / dilution risk: Funding is typically a function of market conditions although we expect DRC sentiment and exploration success to also play a role in access to capital.

Corporate and Financial Summary

Corporate structure: Avanti Gold Corp., incorporated in Canada and headquartered in Vancouver, operates through a group of wholly and majority-owned subsidiaries that hold its exploration interests in the Democratic Republic of the Congo and South Africa. The company's consolidated entities include Casa Mining Ltd., Regency Mining Ltd., Leda Mining Congo S.A., and MTM Ltd. (100%). Through Leda, Avanti holds an effective 73.5% ownership interest in the Misisi Gold Project in South Kivu, DRC, which covers 133km² across three mining licences valid to 2045. The group also holds the earn-in option to the Kraaipan prospecting licences in South Africa via MTM. The Government holds a 5% free carried interest as Misisi is grandfathered on the 2002 mining code.

Capital structure: As of the MDA date (19 Dec 2025), Avanti Gold had 180.2m shares outstanding,12.2m options, 69.2m warrants and 20.9m RSUs resulting in a total of SCPe 257.3m fully diluted ITM shares outstanding or 282.5m fully diluted. As per FS date (31 Oct 2025) cash stands at C$23.1m and after accounting for the settlement of the ARC payable of US$625k we estimate cash at C$22.2m. Cash from ITM shares outstanding is estimated to be C$9.1m. Avanti has a remaining deferred consideration with a book value of C$2.8m (US$2m) related to the share repurchase agreement with Tremont Master Holdings entered in January 2020 and net outstanding payables of SCPe C$3.5m after US$625k payout. The resulting net cash balance is C$25.1m.

Funding assumptions: We calculate cash including the settlement of US$625k ARC payable as C$22.2m. We assume that the company is well funded to cover existing payables and its upcoming 15km drill program.

Board and Management: Avanti Gold's board brings deep African mining and project-delivery experience. The board includes **Sir Samuel Jonah** (Chairman; former Executive President, AngloGold Ashanti), **Terry Holohan** (Lead Independent Director; ex-CEO of Resolute Mining), **Martin Pawlitschek** (Director; 20+ years across junior explorers, PE funds, and major mining companies incl. BHP and current CEO of Sanu Gold), David Renner (Director; former senior executive across multiple AngloGold Ashanti operations in West Africa), Mata Botima (Director; ex-BHP Country President, DRC), and Jonathan Hill (Director; economic geologist with 40+ years and multiple gold–copper discoveries in South America and Africa). Management is led by Acting CEO & COO **Mohamed Cisse** (former Kibali mine manager, ex-Randgold, Syama GM), bringing African operating and project-delivery experience, and is supported by functional lead Chief Financial Officer and Corporate Secretary Swapan Kakumanu.

Table 5. Management and Board equity holdings

Name	Role	Equity Ownership*	Background
Board of Directors			
Sir Samuel Jonah	Chairman	6.49%	Mining industry titan with 50+ yrs of leadership experience; former Executive Preseident of Ashanti Goldfields
Terry Holohan	Lead Indep. Director	0.25%	Chartered Eng. (BSc Metallurgy) with senior technical and executive roles spanning exploration, feasibility, and operations; former CEO of Resolute
Martin Pawlitschek	Director	-	CEO of Sanu Gold, mining professional with 20+ yrs across exploration, project development, and operations; previous roles at BHP, MDL, Teranga
Mata Botima	Director	0.27%	Metallurgical Eng. with senior roles at Bateman Engineering, Mogale Alloys and Mintek; BHP's former BHP Country President (DRC)
David Renner	Director	0.02%	Mining executive with 30+ yrs in senior leadership roles across AngloGold Ashanti, junior explorers, and development companies across Africa
Jonathan Hill	Director	0.27%	40+ yrs in exploration, project development, and mining operations; roles with AngloGold, GoldHaven, Spark Energy, Lavras Gold, Royal Road
Senior Management			
Mohamed Cisse	Acting CEO & COO	1.06%	Mining Eng. seasoned in operations, technical services, mine manager at Randgold (Kibali) and Managing Director at Resolute (Syama)
Swapan Kakumanun	CFO	2.09%	30+ yrs of senior management and operations experience; held various executive roles in public and private companies
Insiders (>5% holders)			
Martino De Ciccio	Advisor**	7.11%	Mining executive with 15+ yrs in strategy, capital markets and ESG; former Deputy CFO/Head of IR at Endeavour; current CEO of Montage Gold.
Paul Matysek	Advisor**	2.70%	Geologist/Geochemist with 45+ yrs in mining ; led six publicly listed exploration and development companies as Chairman or CEO.

*Source: SEDI (System for Electronic Disclosure by Insiders), Bloomberg Terminal (as of 12/10/2025), Company Disclosure; *Assumes exercise of all stock units on a fully diluted basis;*

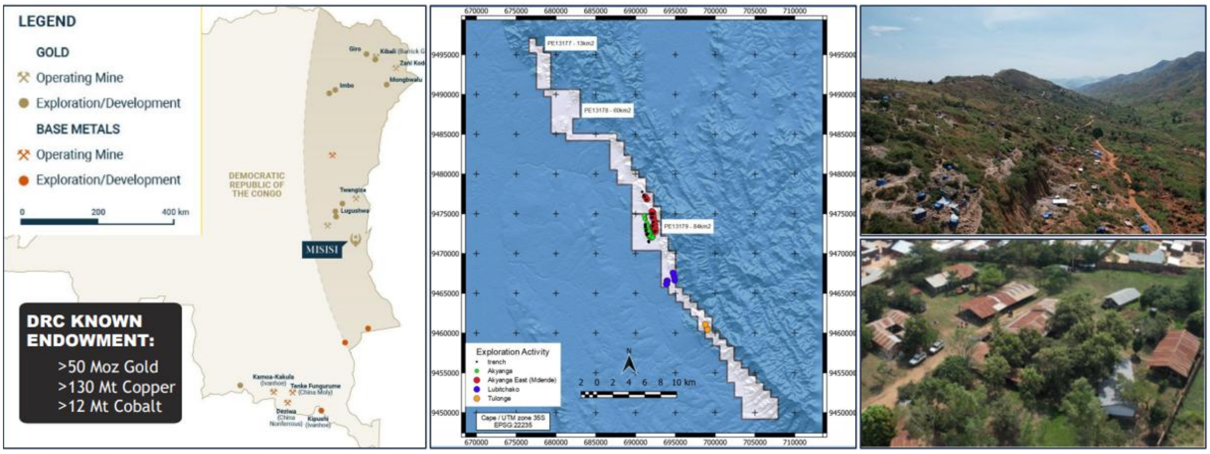
***Advisor figures SCPe estimated and account for 10/2/2025 raise and public fillings stating 15% Board, Mgmt and advisor basic ownership*

Misisi Overview (73.5% Avanti, 21.5% MMG, 5% DRC Government)

Location/Infrastructure: Misisi is owned by LEDA Mining Congo resulting in effective ownership: 73.5% Avanti, 21.5% MMG, 5% DRC Government free carried interest. The project is located in the Fizi Territory of South Kivu Province, 250km south of Bukavu (pop ~800k, capital of South Kivu Province) and 140km north of Kalemie (pop ~150k, capital of Tanganyika Province). The central coordinates of the Akyanga deposit are 4°46'00"S 28°43'30"E. The village of Misisi is 1.5km west of the Akyanga deposit. Project staging is from Kalemie and charter flights from Kalemie can fly to an airstrip at Lulimba, 10km from the project. The area is remote and has no access to the national grid, though there is a hydro-electric station at Bendera, 45km south, with two 8.25MW turbines (design capacity provides for a maximum of five turbines) which do not operate at maximum capacity. Water can be sourced from streams in the valley to the east of the Akyanga ridge. The local population is primarily involved with subsistence farming and artisanal mining.

The local climate is tropical to sub-tropical with a wet season from October to April and dry season from May-September. Work may be completed year-round although some access problems may occur on unsealed roads during rainy season. In the Kalemie area, average annual rainfall is ~1,150mm (compare to Toronto at 830mm/year, Vancouver 1,450mm/year). Temperatures range from 10-30°C during dry season and 15-33°C during rainy season.

Figure 10: (A) Project location; (B) Licence Map; (C) Akyanga Ridge (D) Exploration Camp



Source: Avanti Gold

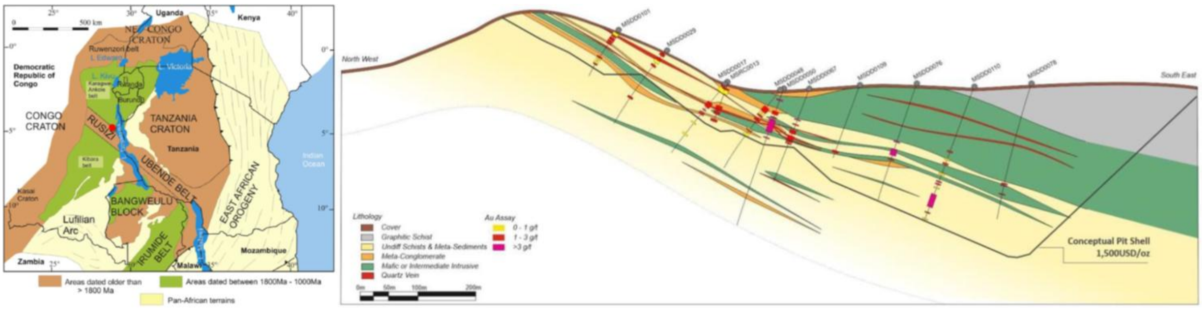
History: General reconnaissance mapping and surveying was conducted in the early 20th century and mineral exploration surveys were conducted targeting metallic ores in the late 1920s to late 1940s. There was poorly documented mining activity during the colonial period. Anvil Mining carried out data review and reconnaissance from 1998-2008, reporting unfavourable political and security for exploration in mid-2004 with a more favourable assessment in early 2007. CASA commenced exploration in June 2010 including geological mapping, trenching and diamond drilling, followed by 5,000m in 2017 which increased the resource. Geochemical sampling was completed on 1km spaced lines covering the entire 50km strike length with 50m between samples, and infill lines conducted on 200m and 100m spaced lines in areas of interest. 16 distinct anomalies were defined outside the Akyanga resource area 2 or more adjacent soil lines with gold >100ppb).

Figure 11: (A) Project history timeline (B) 2026 exploration plans

Source: Avanti Gold

Geology: Regionally, mineralization is hosted in NW-SE trending 2.5-1.6Ga Rusizian metasediments of the 2,000km NNE-SSW Kibara Belt (Proterozoic aged) situated between the Congo and Tanzanian Cratons. The belt hosts the Twangiza and Namoya mines developed by Banro. Akyanga geology consists of an overturned metasedimentary succession intruded by dolerite and/or gabbro. Project geology is dominated by meta-sediments including schists, arkoses, quartzites, pebble conglomerates, and foliated mafic intrusion. Mineralized zones are generally less than 10m thick and appear to be moderately to shallowly dipping to the SE, steepening at surface in the central and northern ends. At the northern end of the deposit mineralization is vertical at surface and flattening out at depth. Depth of weathering is ~30m.

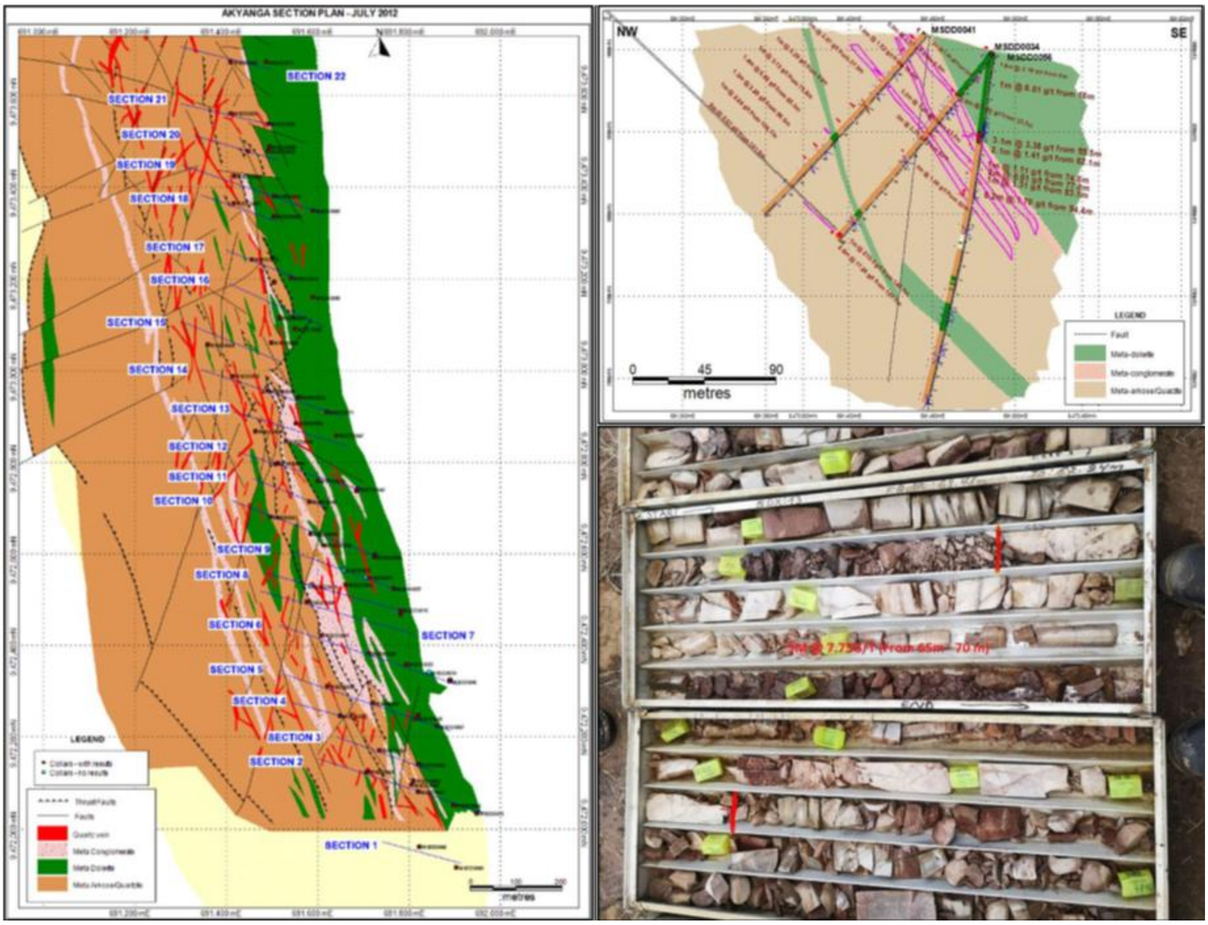
Figure 12: (A) Regional geology within context of Rusizi and Kibara belts; (B) Example cross section of Akyanga



Source: Avanti Gold 2023 Technical report

Mineralization is structurally and lithologically controlled in local deformation zones, and there are four subparallel zones. The vein system model is concordant with the host strata. Mineros sulphides are hosted within broad quartz vein systems that have been correlated with visible gold within competent metaquartzite/congolomerates with minor specular hematite bands. Mineralized envelopes vary from cm-scale to >200m thick (0.5-2.0m typically exploited by artisanal miners). The Akyanga Ridge is 1,030 metres above sea level. The ridges at Akyanga, Mdende, Eumba, Libitchako and Tulonge are exploited by artisanal miners.

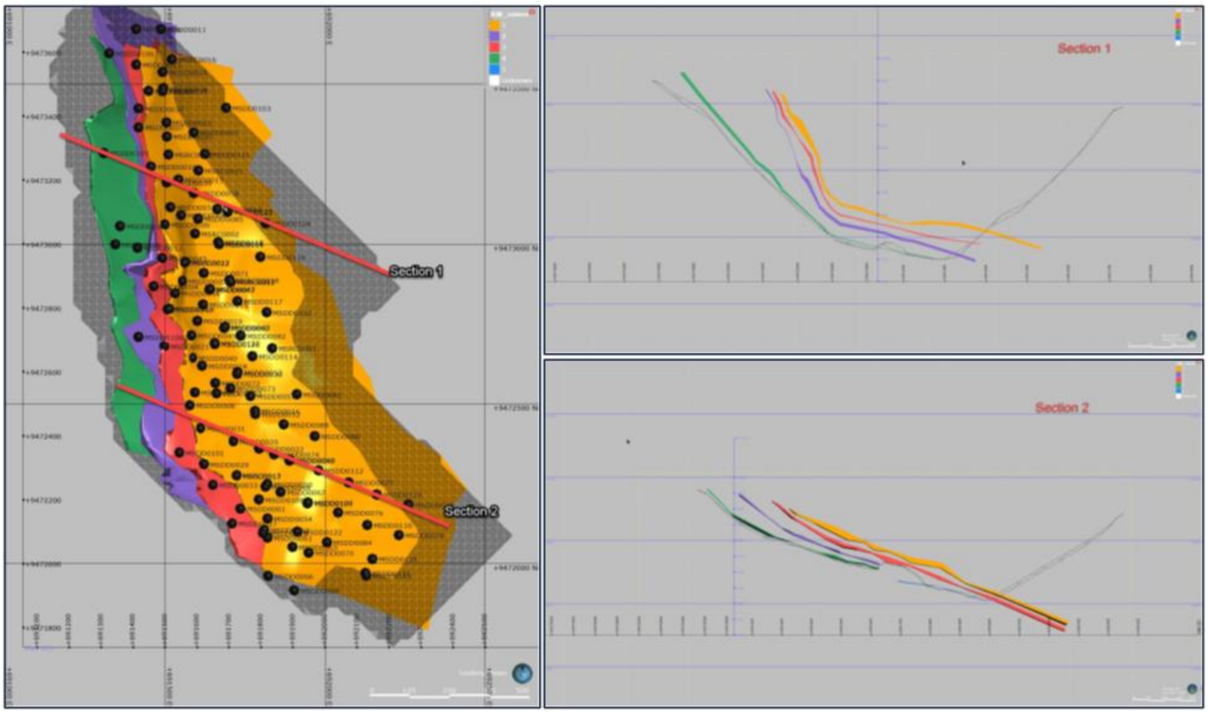
Figure 13: (A) Akyanga section plan (2012); (B) Cross Section 20; (C) Drill hole MSD0002 (60-70m DH) – 5m @ 7.6g/t



Source: Avanti Gold - 2023 Technical Report

Resource: The MRE on Akyanga was based on 105 diamond drill holes for 19,070m (~182m avg) and 5 RC holes for 887m, mostly oriented 50-70° to the WNW. Drilling was on section lines at ~100m intervals. A maiden resource was completed by MDM in October 2013, based on 81 drill holes for 14,232m, of 4.3Mt at 1.2g/t for 160koz Au of oxides and 15.4Mt at 1.7g/t for 850koz of transition material. In 2017 AMC estimated 14.3Mt at 2.27g/t for 1.046Moz, inferred based on US$1,250/oz Au, from surface to 300m depth. In 2018 Denny Jones Pty produced a JORC-compliant MRE of 44.3Mt at 2.16g/t Au for 3.0Moz based on 105 DDH and 6 RC holes. In 2023 an updated review was completed by Dr John Arthur for Avanti, resulting an in an updated estimate of totalling 40.8Mt at 2.37g/t Au for 3.11Moz Au to independently validate the historical MRE, which included confirmatory site visits in 2021 and 2023. The MRE is reported at a 0.5g/t cutoff grade. Gold grades were composited to 1m intervals and estimated using Ordinary Kriging within individual domains. High grade outliers were capped on a domain basis (specific cap values not disclosed). Density was assigned using direct measurements, averaging 2.66t/m^3. No minimum mining width, dilution or mining recovery factors were applied.

Figure 14: (A) Plan view of drill collar locations / conceptual pit shell; (B, C) Cross sections –dip varies with latitude



Source: Avanti Gold - 2023 Technical Report

Mining/Processing: We expect the deposit to be mined using conventional open pit mining methods. While Loncor assumed 140t trucks and 8m^3 excavators for their Adumbi PEA, we think conventional 100t trucks are more likely, although this is best determined after the ultimate size of the resource, plant and deposits are better defined.

Conceptual pit parameters: The MRE (Inferred 40.8Mt at 2.4g/t for 3.1Moz at a 0.5g/t cutoff grade) starts from surface to 350m below surface, with a steep dip to the north and central flattening to moderate to the south/south east. Vein thicknesses range from 1-35m, with a majority <10m thick but as stacked sub-parallel lodes (five main domains). Assuming ~2.66t/m3 density, 2.1km length and 350m depth (as given in the technical report), the 40.8Mt MRE implies ~21m average thickness summing multiple veins, with three structures noted in the tech report. Conceptually, a pit incorporating ~233m (2/3 of the 350m vertical depth), assuming 2 metres of dilution, would generate a pit containing 29.8Mt of ore at 2.16g/t for 2.1Moz, 330.8Mt of waste. For simplicity we assumed 45 degree pit slopes and consistent dip and is not at the level of confidence of a PEA, PFS or DFS.

Processing: Initial bottle roll test work completed on a suite of early Misisi drill core samples confirmed significant free milling coarse gold with only minor sulphides with potential recoveries in excess of 91% recorded on all samples. Subsequent metallurgical test work was completed to test heap leach recoveries; note we expect a CIL processing circuit would be the likely development path. 2013 test work included samples: AKMET 01 (2.84g/t transitional), AKMET 02 (2.13g/t oxide), and AKMET 03 (transitional). 55% of the gold in AKMET 01 and 45% of the gold in AKMET 02 were recovered by gravity. At p80 75um, 82% of gold in AKMET 01 and 81% of gold in AKMET 02 was liberated to gravity concentrates with 2% of Au grains in AKMET 01 and 1% of gold in AKMET 02 associated to sulphides. Simulated heap leach testing achieved 65% recoveries.

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Summary of Recommendations as of January 2026	
BUY:	53
HOLD:	0
SELL:	0
UNDER REVIEW:	0
TENDER:	0
NOT RATED:	0
TOTAL	53

[1] As at the end of the month immediately preceding the date of issuance of the research report or the end of the second most recent month if the issue date is less than 10 calendar days after the end of the most recent month