

Ticker: NCAU CN
Market cap: C\$195m

3Q25 Cash: C\$10.9m
Price: C\$0.74/sh

Project: Enchi
Country: Ghana

REC. (unc): BUY

TARGET (unc): C\$1.65/sh

RISK RATING (down): High

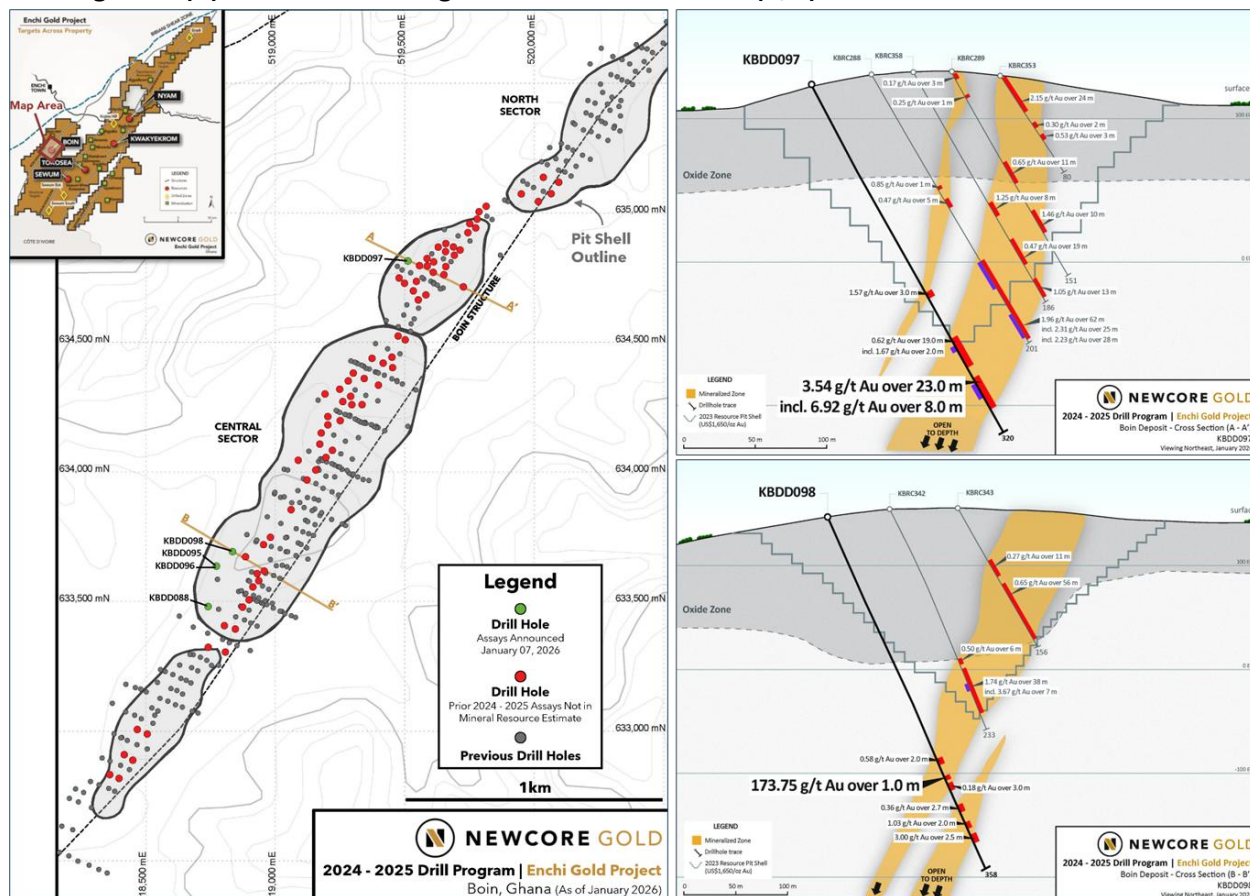
Today's drilling results at Boin, targeting two high grade shoots at depth, are exciting in our view, as we have always been intrigued by Enchi's potential at depth, especially noting the success Turaco has had defining 4.1Moz (and we think going to 5Moz plus) across the border in Cote D'Ivoire. Previously constrained by access to capital and low gold prices, we think Newcore did a great job to define a capital efficient 120kozpa mine life based on an oxide-transitional heap leach with 1.7Moz at 0.6g/t in shallow pits (~100m below surface). The standout result for us today was 23m @ 3.5g/t (hole 97) which included 8m @ 6.9g/t. At today's gold prices, we think there is significant potential for Newcore to target higher-grade ounces in the sulphides, noting that the company controls ~40 km of strike along the Bibiani shear zone. Bibiani and Chirano are now developing sulphide plants, and Turaco has done strong work defining ounces and de-risking metallurgy on the Côte d'Ivoire side of the Bibiani-Afema shear. For now, **we maintain our BUY rating and C\$1.65/sh price target, based on 0.4x NAV5%-3,000/oz and the PEA mine plan.** We think Newcore could see both a developer re-rate and blue-sky exploration potential within the same stock. Further consolidation this year means Newcore is now one of the few advanced-stage gold developers in West Africa, and we like the combination of valuation underpinned by the Enchi heap-leach project alongside the blue-sky potential to define sulphide ounces at depth, given the shallow drilling completed to date (average depth ~125 m). At current gold prices, a number of hard-rock expansions are driving growth across West Africa from what were initially shallow oxide projects (Syama, Sadiola, Bomboré, Chirano and Bibiani), and we see similar upside potential for Newcore. Near-term catalysts include the PFS (mid-2026) and step-out and resource-growth drilling, now that the infill component of the current 45,000m drilling program has been largely completed.

Enchi drilling testing fresh rock hits 23m @ 3.5g/t, drilling at depth could be a game changer

Today, Newcore announced drilling results from the 45km drill program underway at Enchi. Today's 5 DD holes (1,699m) completed at the Boin Gold Deposit targeted mineralization within the fresh mineral horizon at Boin. Drilling was highlighted by holes 98 and 97 which returned **1m @ 173.8g/t from 264m** and **23m @ 3.54g/t from 253m** including **8m @ 6.92g/t**. Overall, we calculate average grade of 6m @ 2.1g/t Au across 32 intercepts from 5 holes. Holes reported today were distributed across 4 separate sections spread along a 1.5km strike length. Four of the five holes (88, 95, 96, 98) were completed on three sections along a 300m strike in the south-central portion of the deposit and hole 97 (1.3km north of 98) was completed on a section in the north-central area of the deposit.

Next steps: The Enchi drilling program is in its second phase, focused on discovery and resource growth. The completed first phase concentrated on RC infill drilling at the Boin and Sewum deposits to improve confidence in the existing Mineral Resource Estimate. Phase 2 is targeting along-strike extensions and higher-grade potential at depth, while parallel metallurgical, hydrogeological, geotechnical, and environmental work continues to support advancement to a PFS in 1H26.

Figure 1. (A) Plan view showing drill holes locations and (B/C) cross-sections of A-A' and B-B'



Source: Newcore Gold

Why we like Newcore

1. Existing 1.7Moz @ 0.6g/t resource underpins low-cost heap leach with CIL/UG optionality
2. Large position in one of the most prolific orogenic gold belts globally
3. Ounce growth from strike, depth and greenfield targets
4. Management team with track-record of value creation (Calibre, Integra, Newmarket, Terrane)

Catalysts

1. 2H25: Updated MRE targeting inferred to indicated conversion
2. 1H26: Enchi PFS

Research

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Ticker: NCAU CN	Price / mkt cap: C\$0.74/sh, C\$195m	Project PNAV today: 0.19x	Asset: Enchi
Author: J Chan	Rec / 0.41xNAV PT: BUY, C\$1.65/sh	1xNAV _{1Q26} FF FD: C\$3.99/sh	Country: Ghana

Commodity price	CY24E	CY25E	CY26E	CY27E	Resources and inventory	Tons (Mt)	Au (koz)	Au (g/t)
Gold price	2,426	3,208	3,258	3,043	1Q23 resource:	88.3Mt	1715koz	0.62g/t
SOTP project valuation*					SCP & 2Q24 PEA Inventory	69.8Mt	1341koz	0.60g/t
	US\$m	O/ship	NAVx	C\$/sh	Funding: uses	Funding: sources		
Ungeared proj. @ build start (2Q26)	842	90%	0.41x	1.52	PEA including cont. capex	C\$156m	SCPe cash + options	C\$25m
3Q25 Cash	7.4	100%	0.41x	0.01	SCPe G&A + fin. cost to 1st Au	C\$16m	Mine debt @ 60% gearing	C\$94m
Cash from options	9.4	100%	0.41x	0.02	SCPe working capital	C\$58m	Build equity @ 0.5xNAV	C\$88m
Nominal exploration upside	40	100%	0.41x	0.08	Total uses	C\$230m	Total proceeds	C\$207m
Asset NAV5% US\$3000/oz	814			1.64	*Cash from options expiring pre first pour		Buffer:	-C\$24m

*Shares diluted for options not mine build

Market P/NAV5% 0.19x

Asset value: 1xNPV project @ build start (C\$m, ungeared)*

Project NPV (C\$m)*	\$2200oz	\$2600oz	\$3000oz	\$3400oz	\$3800oz
10.0% discount	282	465	647	830	1,012
7.5% discount	334	535	736	938	1,139
5.0% discount	395	618	842	1,065	1,288
Ungeared project IRR:	0%	0%	0%	0%	0%
1xNPV5% (C\$/sh)	\$2200oz	\$2600oz	\$3000oz	\$3400oz	\$3800oz
10.0% discount	0.51	0.84	1.17	1.50	1.83
7.5% discount	0.60	0.97	1.33	1.70	2.06
5.0% discount	0.71	1.12	1.52	1.93	2.33
NPV5 vs mining cost (C\$m)*	\$2200oz	\$2600oz	\$3000oz	\$3400oz	\$3800oz
Mining (US\$/t): 3.00	395	618	842	1,065	1,288
Mining (US\$/t): 2.50	467	690	914	1,137	1,360
Mining (US\$/t): 2.00	539	762	986	1,209	1,432

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

Group val'n over time^	Jan-26	Jun-26	Jan-27	Jan-28	Jan-29
Enchi NPV (C\$m)	1,215.3	1,237.5	1,354.5	1,554.8	1,435.1
G&A and finance costs (C\$m)	(49.4)	(50.0)	(49.7)	(36.4)	(17.4)
Net cash prior qtr (C\$m)	14.9	14.7	64.8	31.8	179.9
Cash from options (C\$m)	13.9	13.9	13.9	13.9	13.9
Expl'n 310koz @ US\$50/oz	40.0	40.0	40.0	40.0	40.0
NAV FF FD (C\$m)	1,235	1,256	1,423	1,604	1,651
Shares in issue (m)	263.5	237.6	263.5	263.5	263.5
1xNAV5% FF FD (C\$/sh)	4.69	5.29	5.40	6.09	6.27
Equity ROI from spot (% pa)		615%	170%	102%	71%

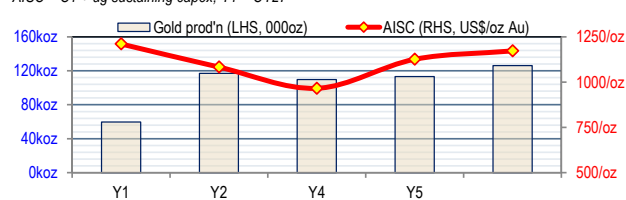
Geared company NAV diluted for build, net G&A and finance costs

1xNAV FF FD (C\$/sh)^	\$2200oz	\$2600oz	\$3000oz	\$3400oz	\$3800oz
10.0% discount	1.77	2.93	4.09	5.26	6.42
7.5% discount	2.08	3.36	4.64	5.92	7.21
5.0% discount	2.44	3.87	5.29	6.71	8.13
Geared project IRR:	0%	0%	0%	0%	0%
1xNAV FF FD (\$/sh)^	\$2.50/t mined	\$2.75/t mined	\$3.00/t mined	\$3.25/t mined	\$3.50/t mined
Grade: 0.50g/t	3.97	3.74	3.51	3.28	3.05
Grade: 0.60g/t	5.75	5.52	5.29	5.06	4.83
Grade: 0.70g/t	7.52	7.29	7.06	6.83	6.60
Grade: 0.80g/t	9.30	9.07	8.84	8.61	8.38

^Project NPV incl grp SG&A & fin. cost, +net cash; *diluted for mine build equity

Production	Y1	Y2	Y4	Y5	Y6
Gold production (000oz)	60	117	110	113	126
AISC cost (US\$/oz)	1,211	1,083	966	1,126	1,173

AISC = C1 + ug sustaining capex, Y1 = CY27



Source: SCP estimates

Ratio analysis	CY24E	CY25E	CY26E	CY27E	CY28E
Average shares out (m)	195.0	250.4	263.5	263.5	263.5
EPS (C\$/sh)	-	-	-	0.22	0.64
CFPS (C\$/sh)	-	-	-	-	0.78
EV (C\$m)	139.1	170.4	229.5	295.6	103.4
FCF yield (%)	-	-	-	-	106%
PER (x)	-	-	-	3.4x	1.2x
P/CF (x)	-	-	-	-	0.9x
EV/EBITDA (x)	-	-	-	2.8x	0.4x

*Cash from options expiring pre first pour

Share data

Basic shares (m) 263.5 FD with build equity raise 407.9

FD with options (m) 300.1

Ratio analysis

Average shares out (m)

EPS (C\$/sh)

CFPS (C\$/sh)

EV (C\$m)

FCF yield (%)

PER (x)

P/CF (x)

EV/EBITDA (x)

Income statement

Net revenue (C\$m)

COGS (C\$m)

Gross profit (C\$m)

D&A, attrib (C\$m)

Admin (C\$m)

Expensed exploration (C\$m)

Finance cost (C\$m)

Taxes (C\$m)

Net income (C\$m)

Cash flow, attrib.

EBIT (C\$m)

Add back D&A (C\$m)

Less tax + interest (C\$m)

Wkg cap inc (dec) (C\$m)

Add back other (C\$m)

Cash flow ops (C\$m)

PP&E - build + sust. (C\$m)

PP&E - expl'n (C\$m)

Cash flow inv. (C\$m)

Share issue (C\$m)

Lease payments (C\$m)

Debt draw (repay) (C\$m)

Cash flow fin. (C\$m)

Net change in cash (C\$m)

EBITDA (C\$m)

Balance sheet

Cash (C\$m)

Acc rec., inv, prepaid (C\$m)

PP&E + other (C\$m)

Total assets (C\$m)

Debt (C\$m)

Accounts payable (C\$m)

Others (C\$m)

Total liabilities (C\$m)

Sh'lds equity + wrnts (C\$m)

Retained earn'gs + rsvs (C\$m)

Liabilities + equity (C\$m)

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

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