

Ticker: TCG AU
Market cap: A\$842m

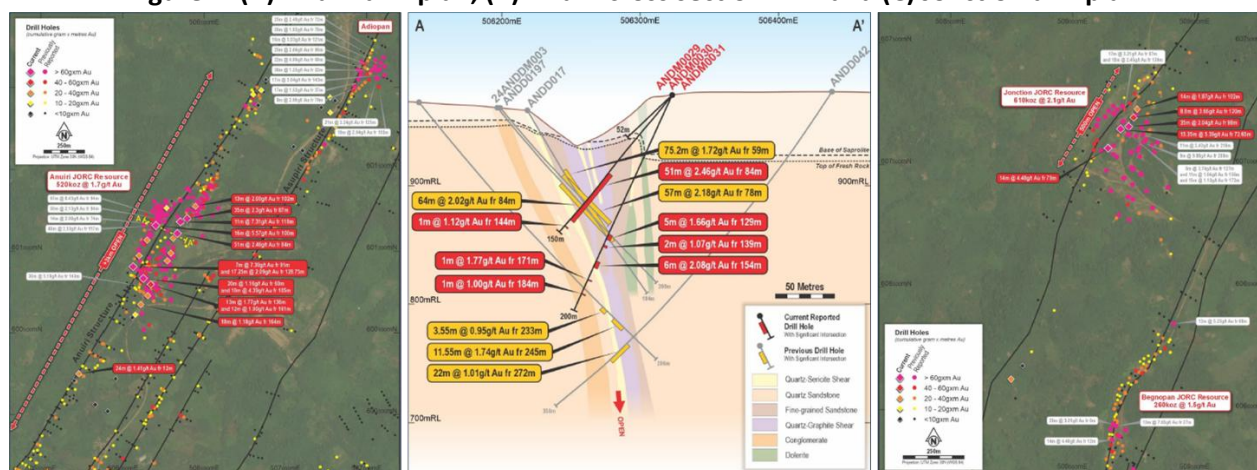
3Q25: A\$76m
Price: A\$0.80/sh
TARGET (unc): A\$1.20/sh

Project: Afema
Country: Cote D'Ivoire
RISK RATING (unc): SPECULATIVE

REC. (unc): BUY

Today's drilling results from Afema's Anuiri and Jonction deposits are mainly infill, supporting metallurgical testing and inferred to indicated spacing ahead of the 1Q26 MRE update and early 2Q26 PFS. The key takeaways were both deposits show good continuity and excellent grade thicknesses, which should enable inferred to indicated conversion and add some ounces incorporating the new intercepts. Moreover, Turaco is completing all the right steps in our view, especially with regards to comprehensive metallurgical and variation testing on the flotation-fine grind deposits. As a reminder of our expectations for the upcoming MRE, we expect inferred to indicated conversion at the existing deposits (especially Jonction, Anuiri, Asupiri) and ounces additions to take the MRE towards 5Moz (currently 4.1Moz) from new deposits including Adiopan. We expect the PFS to show a pathway to >200kozpa – we model a 2.3Moz at 1.2g/t reserve resulting in a 10-year, 200kozpa operation with 4Mtpa conventional + 2Mtpa flotation/fine grind. **We maintain our BUY rating and A\$1.20/sh PT based on 0.5x NAV5%-3,000 for Afema with a nominal US\$50m added for exploration and US\$100/oz outside of SCPe inventory (fully diluted and fully funded).** Recent M&A in West Africa, resulting in the consolidation of Predictive, African Gold, and Loncor, have resulted in even more scarcity value for quality development-ready projects. We think Turaco clearly stands out as the next 200kozpa project in Cote D'Ivoire and we think there will be multiple interested suitors. With the PFS expected by 2Q26, we think this will become even clearer to the market, and Turaco will continue to re-rate from the current 0.3x SCPe NAV_{5%-3000/oz} multiple.

Figure 1: (A) Anuiri drill plan; (B) Anuiri cross section A-A' and (C) Jonction drill plan



Source: Turaco Gold

Afema: Infill at Anuiri and Jonction support reserve conversion and met for upcoming PFS

Today Turaco announces drill results at Anuiri and Jonction deposits. Drilling today focused on infill and on sampling for variability metallurgical testwork.

At Anuiri total of 28DD and RC holes (~4,500m) were drilled with 9 holes drilled to provide oxide and fresh samples for metallurgical work and the remaining 19 holes targeting areas within the pit shell for infill of wider spaced drilling to at least 30m and extending down dip on shallow sections. The 19 holes averaged 6.88m @ 1.92g/t Au and were drilled to a max depth of 204m. (Current resource: 9.7Mt @ 1.7g/t for 520koz with dimensions up to 270m depth). Drill holes were highlighted by **51m @ 2.46g/t from 84m**, **35m @ 2.3g/t from 87m** and **11m @ 7.31g/t from 118m**. The 9 sample holes averaged 14m @ 2.32g/t Au. At Jonction, 8DD holes (~1,260m) were drilled and since most of the MRE is already in the Indicated category, drilling focused on sampling for variability metallurgical test work. The 8 holes averaged 7.65m @ 2.83g/t Au.

Next steps: Turaco is currently working on an MRE update to inform a PFS targeted 2Q26. Whilst today's drilling focused on infill and sampling work, overall Turaco is primarily focused on resource growth with drilling activities currently underway at the Baffia and Kotoka prospects along the Niamienlessa-Affienou trend. Additionally, assays from Adiopan are expected shortly where recent step out drilling returned 16m @ 5.03g/t Au from 121m and 25m @ 2.48g/t Au from 72m.

Why we like Turaco

1. 4.1Moz at 1.2g/t MRE at Afema: we model 2.3Moz @ 1.2g/t supporting a 10-year, 200kozpa operation with 4Mtpa conventional + 2Mtpa flotation/fine grind
2. Tier 1 location on the Sefwi-Bibiani belt near major deposits, with road access, nearby hydropower, low resettlement risk, and growth upside along shear zones
3. Rapid development, skipping PEA, with DFS and permits targeted by 1Q27
4. Attractive free-milling core of 1.6Moz @ 1.0g/t at Woulo Woulo; fine grind + CIL testwork yields 85–95% recoveries

Catalysts

- 1Q26: JORC Afema Project MRE update
- 2Q26: PFS
- 2H26: ESIA submission
- 1Q27: DFS
- 2H28: SCPe Production

Research

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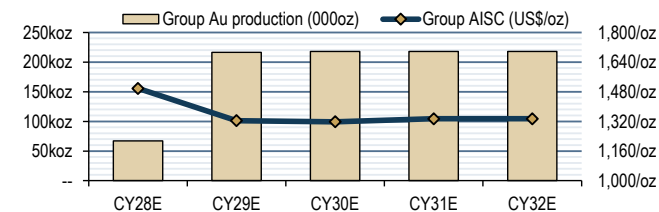
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Ticker: TCG AU	Price / mkt cap: A\$0.80/sh, A\$842m	Market P/NAV: 0.31x	Assets: Afema
Authors: J Chan	Rec / 0.5x NAV: BUY / A\$1.20	1xNAVFD: C\$2.36/sh	Country: Cote D'Ivoire

Group-level SOTP valuation						Resource / Reserve			
	1Q25	1Q25	1Q25	1Q25	1Q25	Mt	Moz	EV/oz	
	US\$m	O/ship	NAVx	A\$/sh					
Afema NPV 1Q25	1,631	100%	1.00x	2.25		Measured, ind. & inf.	102.9	4.06	124
Exploration	50	80%	1.00x	0.06		Mine inventory (SCPe)	62.1	2.34	236
Central SG&A & fin costs 1Q25	(63)	-	1.00x	(0.09)		Share data			
Resources outside SCPe mine plans (\$100/oz)	222	100%	1.00x	0.31		Basic shares (m): 1052.8	FD shares (m): 1102.7	FD + FF	1270.7
3Q25 Cash	50	-	1.00x	0.07		Commodity price	CY24E	CY25E	CY26E
ITM Options	1	-	1.00x	0.00		Gold price (US\$/oz)	2,387	3,245	3,258
1xNAV5% US\$3000/oz - FD pre build	1,890	1.00x	2.60			Ratio analysis	CY24E	CY25E	CY26E
Assumed build equity issuance	160	-	1.00x	0.13		FD shares out (m)	866.1	1102.7	1102.7
0.5xNAV5% US\$3000/oz - Fully Funded	2,050	0.50x	1.22			EPS (A\$/sh)	(0.018)	(0.001)	(0.001)
1xNAV sensitivity to gold price and discount / NAV multiple						CFPS before w/c (A\$/sh)	(0.02)	(0.02)	(0.00)
1xNAV asset (US\$m)	\$2500oz	\$2750oz	\$3000oz	\$3250oz	\$3500oz	FCFPS pre growth (A\$/sh)	(0.03)	(0.02)	(0.01)
8% discount	886	1,115	1,342	1,575	1,808	FCF/sh (A\$/sh)	(0.03)	(0.03)	(0.03)
7% discount	948	1,191	1,431	1,677	1,923	FCF per oz (A\$/sh)	-	-	-
6% discount	1,015	1,272	1,527	1,788	2,048	FCF yield - pre growth (%)	(5%)	(4%)	(2%)
5% discount	1,088	1,360	1,631	1,907	2,184	FCF yield (%)	(5%)	(6%)	(5%)
Valuation (C\$/sh)	\$2500oz	\$2750oz	\$3000oz	\$3250oz	\$3500oz	EBITDA margin (%)	-	(2421%)	-
0.40xNAV	0.71	0.85	0.98	1.11	1.25	FCF margin (%)	-	(2815%)	-
0.50xNAV	0.89	1.06	1.22	1.39	1.56	ROA (%)	(36%)	(22%)	(4%)
0.60xNAV	1.07	1.27	1.47	1.67	1.87	ROE (%)	(46%)	(22%)	(4%)
Sources and uses of cash						ROCE (%)	(47%)	(26%)	(5%)
Sources	US\$m	Uses	US\$m			EV (A\$m)	660	771	800
Build Capex (US\$m)	US\$378m	Cash + ITM options	US\$51m			PER (x)	(45)	(924)	(800)
G&A + fin. cost to production (US\$m)	US\$9m	Debt package (US\$m)	US\$183m			P/CF (x)	(32)	(31)	(211)
Working capital (US\$m)	US\$35m	Equity raised (US\$m)	US\$160m			EV/EBITDA (x)	(25)	(27)	(155)
Less spent capex	US\$0m					Income statement			
Total uses (US\$m)	US\$423m	Total sources (US\$m)	US\$394m			Revenue (A\$m)	1	1	--
Total contingency buffer (US\$m)	-US\$29m					COGS (A\$m)	--	--	--
Valuation over time	Today	2025E	2026E	2027E	2028E	Gross profit (A\$m)	1	1	--
Afema NPV (US\$m)	1,853	2,333	2,475	2,955	3,145	G&A & central	(4)	(5)	(5)
Cntrl G&A & fin costs (US\$m)	(63)	(76)	(63)	(64)	(65)	Depreciation	(0)	--	--
Resources outside mine plan (US\$m)	222	222	222	222	222	Impairment & other (A\$m)	1	--	--
Net cash at 1Q + ITM options (US\$m)	51	70	42	(40)	(117)	Net finance costs (A\$m)	1	4	1
1xNAV (US\$m)	2,062	2,548	2,675	3,073	3,185	Tax (A\$m)	--	--	--
1xNAV share px FD + FF (A\$/sh)	2.60	3.52	3.69	3.68	3.82	Minority interest (A\$m)	--	--	--
P/NAV (x)	0.31x	0.23x	0.22x	0.22x	0.21x	Net income attr. (A\$m)	(2)	0	(4)
ROI to equity holder (% pa)	420%	340%	115%	66%	48%	EBITDA	(27)	(29)	(5)
Geared company A\$ 1xNAVPS diluted for mine build, net G&A and interest						Cash flow			
1Q25 1xNAV FF FD (C\$/sh)^	\$2500oz	\$2750oz	\$3000oz	\$3250oz	\$3500oz	Profit/(loss) after tax (A\$m)	(26)	(19)	(4)
9.0% discount	0.73	0.86	0.99	1.12	1.25	Add non-cash items (A\$m)	4	(8)	--
7.0% discount	0.81	0.95	1.10	1.24	1.39	Less wkg cap / other (A\$m)	--	(0)	--
5.0% discount	0.89	1.06	1.22	1.39	1.56	Cash flow ops (A\$m)	(22)	(27)	(4)
1Q25 1xNAV FF FD (C\$/sh)^	\$2500oz	\$2750oz	\$3000oz	\$3250oz	\$3500oz	PP&E (A\$m)	(0)	(6)	(24)
20% increase in cost per tonne	0.78	0.95	1.11	1.28	1.44	Other (A\$m)	(15)	3	--
10% increase in cost per tonne	0.83	1.00	1.17	1.33	1.50	Cash flow inv. (A\$m)	(18)	(4)	(24)
0% increase in cost per tonne	0.89	1.06	1.22	1.39	1.56	Debt draw (repayment) (A\$)	(0)	--	--
-10% increase in cost per tonne	0.95	1.11	1.28	1.45	1.61	Equity issuance (A\$m)	67	60	--
1Q25 1xNAV FF FD (C\$/sh)^	\$2500oz	\$2750oz	\$3000oz	\$3250oz	\$3500oz	Other (A\$m)	--	--	--
20.0% change in capex	0.83	1.00	1.16	1.33	1.49	Cash flow fin. (A\$m)	67	60	--
10.0% change in capex	0.86	1.03	1.19	1.36	1.52	Net change post forex (A\$rr)	28	30	(28)
0.0% change in capex	0.89	1.06	1.22	1.39	1.56	FCF (A\$m)	(22)	(33)	(28)
-10.0% change in capex	0.92	1.09	1.25	1.42	1.58	Balance sheet			
						Cash (A\$m)	33	69	41
						Accounts receivable (A\$m)	0	0	0
						Inventories (A\$m)	--	--	--
						PPE & exploration (A\$m)	0	3	28
						Other (A\$m)	36	38	38
						Total assets (A\$m)	69	111	107
						Debt (A\$m)	--	--	--
						Other liabilities (A\$m)	14	3	3
						Shareholders equity (A\$m)	136	216	216
						Retained earnings (A\$m)	(79)	(104)	(108)
						Minority int. & other (A\$m)	(2)	(4)	(4)
						Liabilities+equity (A\$m)	69	111	107
						Net Cash	33	69	41
						Net Debt to NTM EBITDA (x)	1.2x	13.4x	7.9x



Production (100%)	CY28E	CY29E	CY30E	CY31E	CY32E
Group Au production (000oz)	67	217	218	218	218
Group cash cost (US\$/oz)	1,099	958	952	968	968
Group AISC (US\$/oz)	1,498	1,324	1,318	1,334	1,334

Source: SCP estimates

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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

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