

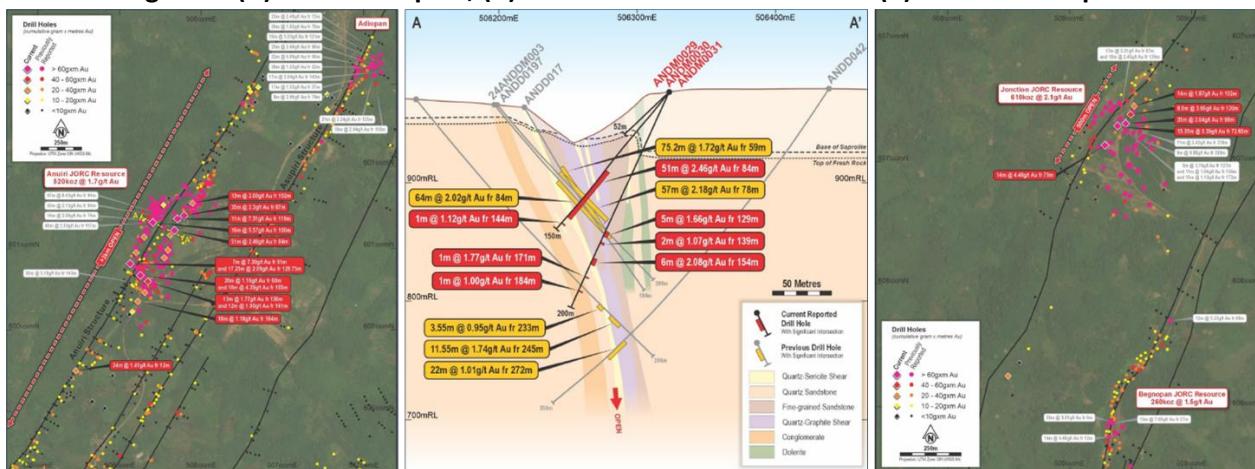
Ticker: TCG AU
Market cap: A\$842m
REC. (unc): BUY

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

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

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-rerate from the current 0.3x SCPe NAV5%-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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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							
	1Q24	1Q25		FD		Resource / Reserve	Mt
			US\$m	O/ship	NAVx	A\$/sh	Moz
Afema NPV 1Q25		1,631	100%	1.00x	2.25	Measured, ind. & inf.	102.9
Exploration		50	80%	1.00x	0.06	Mine inventory (SCPe)	62.1
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
3Q25 Cash		50	-	1.00x	0.07	CY24E	CY25E
ITM Options		1	-	1.00x	0.00	CY26E	CY27E
1xNAV5% US\$3000/oz - FD pre build	1,890		1.00x	2.60		CY28E	
Assumed build equity issuance		160	-	1.00x	0.13	FD shares out (m)	866.1
0.5xNAV5% US\$3000/oz - Fully Funded	2,050		0.50x	1.22		EPS (A\$/sh)	(0.018)
1xNAV sensitivity to gold price and discount / NAV multiple							
1xNAV asset (US\$m)	\$2500oz	\$2750oz	\$3000oz	\$3250oz	\$3500oz	Commodity price	CY24E
8% discount	886	1,115	1,342	1,575	1,808	Gold price (US\$/oz)	2,387
7% discount	948	1,191	1,431	1,677	1,923	Ratio analysis	CY24E
6% discount	1,015	1,272	1,527	1,788	2,048	CY25E	CY26E
5% discount	1,088	1,360	1,631	1,907	2,184	CY27E	CY28E
Valuation (C\$/sh)	\$2500oz	\$2750oz	\$3000oz	\$3250oz	\$3500oz	FD shares out (m)	1102.7
0.40xNAV	0.71	0.85	0.98	1.11	1.25	EPS (A\$/sh)	(0.001)
0.50xNAV	0.89	1.06	1.22	1.39	1.56	CFPS before w/c (A\$/sh)	(0.02)
0.60xNAV	1.07	1.27	1.47	1.67	1.87	FCFPS pre growth (A\$/sh)	(0.03)
Sources and uses of cash							
Sources	US\$m	Uses	US\$m			EBITDA margin (%)	
Build Capex (US\$m)	US\$378m	Cash + ITM options	US\$51m			FCF margin (%)	
G&A + fin. cost to production (US\$m)	US\$9m	Debt package (US\$m)	US\$183m			FCF per oz (A\$/sh)	
Working capital (US\$m)	US\$35m	Equity raised (US\$m)	US\$160m			FCF yield - pre growth (%)	
Less spent capex	US\$0m					FCF yield (%)	
Total uses (US\$m)	US\$423m	Total sources (US\$m)	US\$394m			EBITDA	
Total contingency buffer (US\$m)	-US\$29m					ROA (%)	
Valuation over time	Today	2025E	2026E	2027E	2028E	ROE (%)	
Afema NPV (US\$m)	1,853	2,333	2,475	2,955	3,145	ROCE (%)	
Cntrl G&A & fin costs (US\$m)	(63)	(76)	(63)	(64)	(65)	EV (A\$m)	
Resources outside mine plan (US\$m)	222	222	222	222	222	PER (x)	
Net cash at 1Q + ITM options (US\$m)	51	70	42	(40)	(117)	P/CF (x)	
1xNAV (US\$m)	2,062	2,548	2,675	3,073	3,185	EV/EBITDA (x)	
1xNAV share px FD + FF (A\$/sh)	2.60	3.52	3.69	3.68	3.82	Income statement	CY24E
P/NAV (x):	0.31x	0.23x	0.22x	0.22x	0.21x	Revenue (A\$m)	1
ROI to equity holder (% pa)	420%	340%	115%	66%	48%	COGS (A\$m)	--
Geared company A\$ 1xNAVPS diluted for mine build, net G&A and interest							
1Q25 1xNAV FF FD (C\$/sh)^	\$2500oz	\$2750oz	\$3000oz	\$3250oz	\$3500oz	Gross profit (A\$m)	1
9.0% discount	0.73	0.86	0.99	1.12	1.25	G& & central	(4)
7.0% discount	0.81	0.95	1.10	1.24	1.39	Depreciation	(0)
5.0% discount	0.89	1.06	1.22	1.39	1.56	Impairment & other (A\$m)	1
1Q25 1xNAV FF FD (C\$/sh)^	\$2500oz	\$2750oz	\$3000oz	\$3250oz	\$3500oz	Net finance costs (A\$m)	1
20% increase in cost per tonne	0.78	0.95	1.11	1.28	1.44	Tax (A\$m)	--
10% increase in cost per tonne	0.83	1.00	1.17	1.33	1.50	Minority interest (A\$m)	--
0% increase in cost per tonne	0.89	1.06	1.22	1.39	1.56	Net income attr. (A\$m)	(2)
-10% increase in cost per tonne	0.95	1.11	1.28	1.45	1.61	EBITDA	(27)
1Q25 1xNAV FF FD (C\$/sh)^	\$2500oz	\$2750oz	\$3000oz	\$3250oz	\$3500oz	Cash flow	CY24E
20.0% change in capex	0.83	1.00	1.16	1.33	1.49	Profit/(loss) after tax (A\$m)	(26)
10.0% change in capex	0.86	1.03	1.19	1.36	1.52	Add non-cash items (A\$m)	4
0.0% change in capex	0.89	1.06	1.22	1.39	1.56	Less wkg cap / other (A\$m)	--
-10.0% change in capex	0.92	1.09	1.25	1.42	1.58	Cash flow ops (A\$m)	(22)
Group Au production (000oz) vs Group AISC (US\$/oz)							
250koz						PP&E (A\$m)	(0)
200koz						Other (A\$m)	(15)
150koz						Cash flow inv. (A\$m)	(18)
100koz						Debt draw (repayment) (A\$m)	(0)
50koz						Equity issuance (A\$m)	67
--						Other (A\$m)	--
						Cash flow fin. (A\$m)	67
CY28E						Net change post forex (A\$m)	28
CY29E						FCF (A\$m)	(22)
CY30E						Balance sheet	CY24E
CY31E						Cash (A\$m)	33
CY32E						Accounts receivable (A\$m)	0
						Inventories (A\$m)	--
						PPE & exploration (A\$m)	0
						Other (A\$m)	36
						Total assets (A\$m)	69
						Debt (A\$m)	--
						Other liabilities (A\$m)	14
						Shareholders equity (A\$m)	136
						Retained earnings (A\$m)	(79)
						Minority int. & other (A\$m)	(2)
						Liabilities+equity (A\$m)	69
						Net Cash	33
						Net Debt to NTM EBITDA (1.2x
						13.4x	7.9x
						0.5x	0.3x

Source: SCP estimates

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BUY:	53
HOLD:	0
SELL:	0
UNDER REVIEW:	0
TENDER:	0
NOT RATED:	0
TOTAL	53

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