SCP EQUITY RESEARCH

Emerald Resources, 09 January 2026

| | | |
|---|---|---|
| **Ticker:** EMR AU | **CY4Q25 net cash:** A$313m | **Project**: Okvau / Memot / Dingo Range |
| **Market cap**: A$4.16bn | **Price:** A$6.30/sh | **Country:** Cambodia / W Australia |
| *REC. (unc): BUY* | *TARGET (+25c): A$7.95/sh* | *RISK RATING (unc): HIGH* |

*Today's DQ25 production was a good bounce back to within the normal 25-30koz Okvau quarterly production range and we expect more improvement towards the top end of guidance as mining moves to the high-grade centre of the pit. Cash flow was again impressive with an A$69m (~US$46m) cash, bullion and investments increase on just 20koz sold, or ~US$2300/oz, showing Okvau's impressive cash generation. With A$299m of cash (~US$200m), Emerald should be able to self- fund the Dingo-Range (SCPe US$120m capex, 130kozpa at ~US$1,100/oz AISC, commercial production start of 2027) and Memot (SCPe US$95m capex, 100kozpa at ~US$1,000/oz AISC, commercial production 2Q27) build starts in Western Australia and Cambodia, respectively.*

**Model updates:** *We update December quarter production estimates and roll forward near-term gold price assumptions, leaving longer-term operating assumptions unchanged. Overall SCPe NAV, including cash and bullion growth, increases 2.8% to A$5.36bn (US$3.61bn), or A$7.94/sh, with Okvau NPV contributing the largest uplift due to near-term gold price assumptions growth.* **We maintain our BUY rating and lift our PT to A$7.95/sh PT (A$7.70/sh prior) based on 1x NAV5%-3000/oz.** *Emerald remains a top pick in our books with current valuation sitting at 0.8x $NAV_{5\%\text{-}3000/oz}$ (0.5x at spot US$4,500/oz) and a clear pathway to 350-400kozpa (current SCPe 300koz in 2027, 370koz in 2028). We think the current share price is an excellent entry point, offering sector-leading growth as Dingo Range and Memot come online, a strong balance sheet with high margin cashflow, and one of the sector's top management teams.*

## DQ25: 25koz produced, AISC within guidance, cash and eq increased by A$69m on 20koz sold

Today, Emerald provided December 2025 quarter production update with gold production of 25Koz (SQ 22Koz) at an AISC anticipated to be in line with upper end of guided US$900-US$1000/oz. Total gold poured was 21.4koz while gold sales were 20.4koz at average received price of US$4,118/oz. Recoveries for the quarter is 86.7%. Cash, bullion, and listed investments grew to A$299.3m, A$35.6m and A$37.8m respectively from prior A$251.1m, A$26.3m, and A$26.2m in September 2025 quarter. A detailed update of operations and exploration activities will be provided in the quarterly report guided to be released later this month.

### Why we like Emerald

1. Management has built seven mines on time and on budget at Equigold, Regis and Emerald
2. Management aligned with holders as A$19m equity invested
3. Pathway to SCPe 350-400kozpa with Dingo Range and Memot mine builds in 2026
4. Likely reserve extensions in Cambodia, and regional potential with first-mover belt control

### Catalysts

- 1Q26: Updated Dingo Range and Memot MREs
- 1H26: Dingo Range and Memot FID and build start
- CY26: Okvau Gold Mine underground expansion, pit extensions, and near mine projects

### Research

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|---|---|---|---|---|---|
| **Ticker:** | EMR AU | **Price / mkt cap:** | A$6.30/sh, A$4161m | **Group P/NAV today:** | 0.79x | 
| **Author:** | J Chan | **Rec/PT:** | BUY, A$7.95sh | **1xNAV5% FF FD:** | A$7.94/sh |
| **Country:** | Cambodia / WA | **Asset:** | Okvau / Dingo Range | | |

| Commodity price | CY23A | CY24E | CY25E | CY26E | CY27E |
|---|---|---|---|---|---|
| Gold price | 1,945 | 2,387 | 3,441 | 3,796 | 3,217 |

| Group-level SOTP valuation | Dec 25 | | | | |
|---|---|---|---|---|---|
| | A$m | US$m | O/ship | NAVx | A$/sh* |
| NPV Okvau CY 1Q26 | 1936 | 1,303 | 100% | 1.00x | 2.87 |
| NPV Dingo Range CY 1Q26 | 1617 | 1,089 | 100% | 1.00x | 2.40 |
| NPV Memot CY 1Q26 | 1499 | 1,009 | 100% | 1.00x | 2.22 |
| NPV central & finance costs | (125) | (84) | - | 1.00x | (0.19) |
| CY4Q25 Net cash (incl. bullion & leases) | 313 | 211 | - | 1.00x | 0.46 |
| Cash from options | 45 | 30 | - | 1.00x | 0.07 |
| Expl'n (0.5Moz@US$100/oz) | 74 | 50 | - | 1.00x | 0.11 |
| **1xNAV5% US$3000/oz** | **5359** | **3,607** | | | **7.94** |

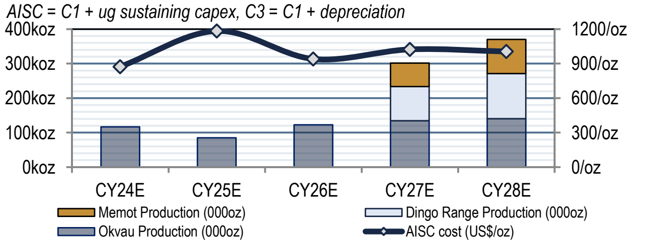
| Asset value: 1xNAV (US$m, geared)* | | | | | |
|---|---|---|---|---|---|
| **Group NAV (US$m)** | $2600oz | $3000oz | $3400oz | $3800oz | $4200oz |
| 9% discount | 2,682 | 3,180 | 3,678 | 4,176 | 4,674 |
| 7% discount | 2,844 | 3,381 | 3,918 | 4,454 | 4,991 |
| 5% discount | 3,027 | 3,607 | 4,187 | 4,767 | 5,347 |
| **Group NAV (A$/sh)** | $2600oz | $3000oz | $3400oz | $3800oz | $4200oz |
| 9% discount | 5.91 | 7.00 | 8.10 | 9.19 | 10.29 |
| 7% discount | 6.26 | 7.44 | 8.63 | 9.81 | 10.99 |
| 5% discount | 6.66 | 7.94 | 9.22 | 10.50 | 11.77 |

**Company NAV net finance costs and SG&A*

| Group NAV5% over time | Dec-25 | Dec-26 | Dec-27 | Dec-28 | Dec-29 |
|---|---|---|---|---|---|
| NPV Okvau CY 1Q26 | 1,334 | 1,158 | 961 | 782 | 592 |
| NPV Dingo Range CY 1Q26 | 1,069 | 1,179 | 1,240 | 1,108 | 972 |
| NPV Memot | 994 | 1,104 | 1,157 | 1,054 | 946 |
| Cent. costs (US$m) | (85) | (79) | (72) | (65) | (57) |
| CY4Q25 Net cash (incl. bullion & leases) | 211 | 258 | 458 | 975 | 1,492 |
| Cash from options (US$m) | 30 | 30 | 30 | 30 | 30 |
| Expl'n (0.5Moz US$100/oz) | 50 | 50 | 50 | 50 | 50 |
| NAV (US$m) | 3,602 | 3,700 | 3,825 | 3,935 | 4,024 |
| 1xNAV5%/sh FF FD (Ac/sh) | **793** | **815** | **842** | **866** | **886** |

| Production | CY24A | CY25E | CY26E | CY27E | CY28E |
|---|---|---|---|---|---|
| Okvau Production (000oz) | 117 | 85 | 122 | 135 | 141 |
| Okvau AISC (US$/oz) | 873 | 1,183 | 939 | 916 | 907 |
| Dingo Range Production (000oz) | - | - | - | 99 | 130 |
| Dingo Range AISC (US$/oz) | - | - | - | 1,118 | 1,111 |
| Memot Production (000oz) | - | - | - | 68 | 100 |
| Memot AISC (US$/oz) | - | - | - | 1,096 | 1,003 |
| Group production (000oz) | 117 | 85 | 122 | 301 | 370 |
| AISC cost (US$/oz) | 873 | 1,183 | 939 | 1,023 | 1,005 |
| C3 cost (US$/oz) | 126 | 214 | 285 | 276 | 270 |

*AISC = C1 + ug sustaining capex, C3 = C1 + depreciation*




| Resource | Au (koz) | Au (g/t) | Reserve | Au (koz) | Au (g/t) |
|---|---|---|---|---|---|
| Okvau M&I&I | 1,000koz | 1.92g/t | Okvau 2P | 700koz | 1.50g/t |
| Dingo Range M&I&I | 1,360koz | 1.13g/t | - | - | - |
| Memot M&I&I | 1,340koz | 1.30g/t | - | - | - |

| Share data | | | | | |
|---|---|---|---|---|---|
| Basic shares (m) | 660.5 | | FD with options (m) | | 675 |

| Ratio analysis | CY23A | CY24E | CY25E | CY26E | CY27E |
|---|---|---|---|---|---|
| Avg shares out (m) | 529 | 529 | 529 | 529 | 529 |
| EPS (A$/sh) | 0.14 | 0.22 | 0.14 | 0.60 | 1.11 |
| CFPS (A$/sh) | 0.26 | 0.36 | 0.29 | 0.17 | 0.93 |
| EV (A$m) | (39) | (176) | (266) | (352) | (356) |
| FCF yield (%) | 4.1% | 5.7% | 4.5% | 2.6% | 14.7% |
| PER (x) | 43.7x | 28.4x | 45.1x | 10.6x | 5.7x |
| P/CF (x) | 24.5x | 17.7x | 22.0x | 38.2x | 6.8x |
| EV/EBITDA (x) | (0.2) | (0.6) | (1.1) | (0.7) | (0.4) |

| Income statement | CY23A | CY24E | CY25E | CY26E | CY27E |
|---|---|---|---|---|---|
| Revenue (A$m) | 342 | 434 | 447 | 702 | 1,425 |
| COGS incl royalty (A$m) | (122) | (138) | (215) | (192) | (473) |
| D&A (A$m) | (38) | (40) | (21) | (23) | (107) |
| **Gross profit (A$m)** | **182** | **256** | **211** | **487** | **845** |
| Finance cost (A$m) | (13) | (21) | (6) | (0) | (0) |
| Exploration (A$m) | (24) | (49) | (29) | - | - |
| Admin + other (A$m) | (52) | (13) | (31) | (21) | (21) |
| Tax (A$m) | (17) | (56) | (71) | (151) | (235) |
| **Net income (A$m)** | **76** | **117** | **74** | **315** | **589** |
| *EBITDA (A$m)* | *221* | *296* | *232* | *510* | *952* |

| Cash flow statement | CY23A | CY24E | CY25E | CY26E | CY27E |
|---|---|---|---|---|---|
| Revenue (A$m) | 339 | 427 | 443 | 702 | 1,425 |
| Payments (A$m) | (189) | (200) | (263) | (358) | (723) |
| Chaning in WC (A$m) | - | - | 25 | (4) | (95) |
| Others (A$m) | (5) | (35) | (11) | 0 | - |
| **Cash flow ops (A$m)** | **146** | **192** | **195** | **340** | **607** |
| PP&E (A$m) | (9) | (4) | (44) | (253) | (118) |
| **Cash flow inv. (A$m)** | **(9)** | **(4)** | **(44)** | **(253)** | **(118)** |
| Shares / lease (A$m) | (7) | (8) | (6) | - | - |
| Debt draw (repay) (A$m) | (44) | (37) | (10) | - | - |
| **Cash flow fin. (A$m)** | **(50)** | **(45)** | **(16)** | **-** | **-** |
| Net cash change (A$m) | 86 | 143 | 135 | 87 | 489 |

| Balance sheet | CY23A | CY24E | CY25E | CY26E | CY27E |
|---|---|---|---|---|---|
| Cash (A$m) | 116 | 217 | 299 | 385 | 390 |
| Acc rec. + inv. (A$m) | 57 | 54 | 48 | 63 | 105 |
| PPE (A$m) | 74 | 67 | 98 | 328 | 401 |
| Oth + mine-build (A$m) | 349 | 450 | 450 | 452 | 452 |
| **Total assets (A$m)** | **597** | **788** | **896** | **1,228** | **1,347** |
| Debt (A$m) | 43 | 8 | - | - | - |
| Accnts payable (A$m) | 25 | 32 | 40 | 50 | 60 |
| Total liabilities (A$m) | 68 | 40 | 40 | 50 | 60 |
| S'holders equity (A$m) | 351 | 452 | 455 | 461 | 463 |
| Retained earnings (A$m) | 3 | 28 | 35 | 35 | 35 |
| Reserves (A$m) | 72 | 155 | 295 | 610 | 718 |
| **Liabilities + equity (A$m)** | **597** | **788** | **896** | **1,228** | **1,347** |

*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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