SCP EQUITY RESEARCH

Magna Mining, 20 January 2026

Ticker: NICU CN	**3Q25 cash + warrants:** C$69m	**Project:** Sudbury Assets
Market cap: C$847m	**Price:** C$3.39/sh	**Country:** Canada, ON
REC. (unc): BUY	*TARGET (+60c): C$3.70/sh*	*RISK RATING (unc): HIGH*

Ahead of full financials, today's 4Q25 production results saw another positive transition quarter for the company *with tonnes (+13%) and grades (+29%) up QoQ, as the company continued to improve mine throughput and access higher grade zones. Diving in, development rates imply SCPe 18.8-20.5ft/day over the quarter, down slightly QoQ -6%, but up significantly (~200%) from initial 6.9ft/day rates in March post-acquisition, as the company advanced underground access to key stoping areas. Additionally, exploration continued to be a priority, with diamond drill meters up +91% QoQ also positive. Stepping back, post-February acquisition, the aim was to establish current operations ahead of any further ramp-up at McCreedy and Magna's broader Sudbury asset portfolio (Levack, Crean Hill, etc). With key staffing gaps filled, ~3,500ft development cut and ~44,695m of diamond drilling in the last two quarters alone, we think the company is well positioned to execute on next steps in 2026. Key now will be 2026 guidance and reserves in the coming weeks to lay the framework, in step with the company's expansion plans at Levack, Crean Hill, and other assets thereafter. Further, with metal prices seeing another solid quarter and nickel moving now on recent news of Indonesia curtailing supply, we see potential for additional production/revenue upside still.*

Model updates: *Ahead of full financials and McCreedy LOM production/reserves and 2026 guidance, we update for today's 4Q25 production, lift our gold price to current SCPe LT US$3,600/oz, and increase our NAV multiple to 0.9x (from 0.7x) to reflect Magna's progress towards steady state operations. As such,* ***we maintain our BUY rating and lift our price target 60c to C$3.70/sh****, based on a ~C$1.2bn SOTP valuation for the group at 0.9x NAV7% using US$4.05/lb Cu LT for the Sudbury assets. Key catalysts this year remain upcoming McCreedy LOM/maiden reserves, 2026 guidance, Levack PEA, Crean Hill PFS, and potential for step-change discovery. With C$69m cash (3Q25 cash + $6.1m warrants exercised in November), the company is well funded to execute on the broader growth story.*

Table 1. McCreedy 4Q25 vs 3Q25 QoQ production

Sudbury Operations	3Q25A	4Q25A	QoQ
Tons	68.2	77.1	13%
CuEq grade (%)	2.77%	3.57%	29%
Copper grade (%)	1.52%	1.31%	-14%
Nickel grade (%)	0.21%	0.23%	10%
Platinum (g/t)	0.42	1.05	150%
Palladium (g/t)	0.53	1.10	108%
Gold (g/t)	0.22	0.45	105%
Gold (g/t)	10.78	15.51	44%

Source: Magna Mining, SCPe; CuEq at 26-01-20 spot prices US$4,611/oz Au, US$90.80/oz Ag, US$5.90/lb Cu, US$7.99/lb Ni, US$2,304/oz Pt, and US$1,805/oz Pd

4Q25 production in line; Grade up +29% QoQ; P&P/guidance in coming weeks; PT C$3.70/sh

Today, Magna reported its 4Q25 production results from the McCreedy West mine, highlighting **84.9kst (77.1kt) at 1.31% Cu, 0.23% Ni, 1.05g/t Pt, 1.10g/t Pd, 0.45g/t Au, and 15.51g/t Ag**. Underground development for the quarter totaled 1,688ft with 29,334ft (+91% QoQ) of diamond drilling completed. The McCreedy West LOM plan (including maiden reserves) will be released in the coming weeks with 2026 guidance.

Why we like Magna Mining Inc

1. Explorer turned copper producer with blue sky +37ktpa CuEq potential in <5 years
2. Quality asset base with potential for step-change exploration upside/discovery
3. Savvy management team strategically growing company with accretive acquisitions
4. Tier-1/globally significant Cu-Ni-PGE sulphide district near hungry mills/smelters
5. Best in class Sudbury based technical team (formerly FNX Mining)

Catalysts

- CY26: McCreedy West quarterly production
- CY26: Levack surface / UG exploration drilling
- 1Q26: McCreedy LOM, maiden reserves, 2026 guidance
- 3Q26: Crean Hill PFS
- CY26: Levack PEA

Research

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Ticker: NICU CN	**Price / mkt cap:**	C$3.39/sh, C$847m	**P/NAV today:** 1.35x	**Country:**	Canada, Ontario
Author: B Gaspar	**Rec / PT:**	BUY, C$2.3/sh	**1xNAV7%:** C$2.51/sh	**Asset:**	Sudbury

Commodity price	**CY24A**	**CY25E**	**CY26E**	**CY27E**	**CY28E**
Cu price (US$/t)	9,264	9,968	10,446	9,343	8,929
Cu price (US$/t, payable)	5,615	6,041	6,331	5,662	5,411

SOTP *project* valuation*	**C$m**	**o/ship**	**NAVx**	**C$/sh**
McCreedy + Levack @ 1Q26	833	100%	1.00x	2.89
SCPe Crean Hill	280	100%	1.00x	0.97
SCPe nominal exploration upside	150	100%	1.00x	0.52
Resources ex inv'try ex Shak'pr @ 1% in-situ	124	100%	1.00x	0.43
Franco Stream (C$m)	(242)	100%	1.00x	(0.84)
Central G&A + finance NPV (C$m)	(64)	100%	1.00x	(0.22)
FY 3Q25 cash + warrants	69	100%	1.00x	0.24
Cash from ITM options/warrants	14	100%	1.00x	0.05
1XNAV C$	**723**			**2.51**
**Build start, ex fin. cost + G&A, dil. for optns not build*			*P/NAV today:*	1.35x

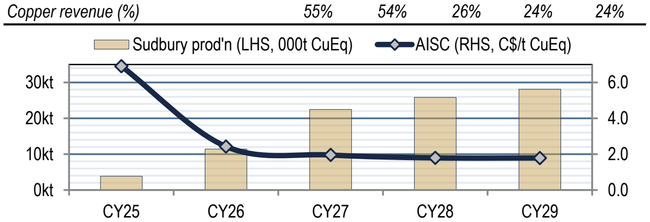
Asset value: 1xNPV project (C$m, ungeared)*					
Asset NPV (C$m)	8,000	8,500	8,929	9,800	10,800
9.0% discount	738	753	766	792	823
7.0% discount	803	819	833	862	895
5.0% discount	876	894	909	941	976
Asset NPV (C$/sh)	8,000	8,500	8,929	9,800	10,800
9.0% discount	2.56	2.61	2.66	2.75	2.85
7.0% discount	2.78	2.84	2.89	2.99	3.10
5.0% discount	3.04	3.10	3.15	3.26	3.38

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

***Group* valuation over time^**	**Mar-26**	**Mar-27**	**Mar-28**	**Mar-29**	**Mar-30**
McCreedy + Levack	833	863	800	723	627
SCPe Crean Hill	280	280	280	280	280
SCPe nominal exploration upside	150	150	150	150	150
Resources ex inv'try ex Shak'pr @ 1% in-s	124	124	124	124	124
Franco Stream (C$m)	(242)	(242)	(242)	(242)	(242)
Central G&A and finance costs	(64)	(54)	(43)	(32)	(24)
Net cash prior quarter	61	38	102	179	273
Cash from ITM options/warrants	13.8	13.8	13.8	13.8	13.8
Total NAV (C$m)	716	706	690	676	659
FF FD share count (m)	*288*	*288*	*288*	*288*	*288*
1xNAV7%/sh FF FD (C$/sh)	2.48	2.45	2.39	2.34	2.29

1xNAV/sh company @ 2026 commercial production (C$, geared)^					
1xNAV (C$m)	8,000	8,500	8,929	9,800	10,800
9.0% discount	1,087	1,102	1,115	1,141	1,171
7.0% discount	1,135	1,151	1,165	1,194	1,227
5.0% discount	1,190	1,208	1,223	1,255	1,291
1xNAV (C$/sh)	8,000	8,500	8,929	9,800	10,800
9.0% discount	3.77	3.82	3.87	3.96	4.06
7.0% discount	3.93	3.99	4.04	4.14	4.25
5.0% discount	4.12	4.19	4.24	4.35	4.47

Production (Y1 from 2Q25)	**CY25**	**CY26**	**CY27**	**CY28**	**CY29**
SCPe production (000kt CuEq)^	3.9	11.4	22.5	25.8	28.1
AISC Co-prod. (US$/lb CuEq)	6.90	2.43	1.95	1.79	1.78
Copper revenue (%)	*55%*	*54%*	*26%*	*24%*	*24%*



*Source: SCP estimates, *AISC done on ore selling NSR*

Resource/Inventory	**Mt**	**NiEq %**	**Sudbury**	**Mt**	**NiEq %**
Shakespeare pit inventory	12 Mt	0.7%	Pit M&I&I	17 Mt	0.7%
SCPe UG inventory	18 Mt	2.0%	UG M&I&I*	73 Mt	1.4%
Total	30 Mt	1.4%	Total*	89 Mt	1.3%

*Note: NiEq using SCPe LT metal prices; *incl. Historic KGHM MRE*

Share data (m)			
Shares (m)	249.8	FF FD Shares (m)	288.5

CY25-27 Funding: uses		**Sources**	
SCP Exploration spend (C$m)	9	Pro forma cash+ ITM op (C$m)	71
SCPe UG dev. Capex (C$m)	15	Operating CF to CY27(C$m)	89
SCPe UG Sus. Capex (C$m)	9	SCPe equity (C$m)	0
Working cap (C$m)	9		
Total uses (C$m)	41	Total sources (C$m)	160
Buffer (C$m):	*119*		

Ratio analysis	**CY24E**	**CY25E**	**CY26E**	**CY27E**	**CY28E**
Shares out (m)	194.9	249.8	249.8	249.8	249.8
EPS (Cc/sh)	-	-	2.6	25.8	26.9
CFPS before w/c (C$/sh)	-	-	-	20.9	29.8
EV (C$m)	643.2	785.4	809.3	745.2	668.3
FCF yield (%)	-	-	-	8%	9%
EV/EBITDA	-	-	21.7x	5.9x	5.2x
Income statement	**CY24E**	**CY25E**	**CY26E**	**CY27E**	**CY28E**
Revenue (C$m)	-	60.5	171.3	312.5	319.2
COGS (C$m)	-	62.7	79.4	128.8	136.2
Gross profit (C$m)	**-**	**(2.2)**	**91.9**	**183.7**	**183.0**
G&A (C$m)	7.4	7.9	6.3	6.3	6.3
Exploration (C$m)	10.1	8.4	6.0	6.0	6.0
Finance costs (C$m)	0.2	3.4	1.5	1.5	1.5
Tax (C$m)	-	(4.6)	23.8	47.9	47.5
Other (C$m)	(1.4)	(12.2)	47.6	57.6	54.6
Net income (C$m)	**(16.3)**	**(5.1)**	**6.6**	**64.4**	**67.2**
Cash flow statement	**CY24E**	**CY25E**	**CY26E**	**CY27E**	**CY28E**
EBITDA (C$m)	(16.5)	(30.8)	37.4	125.4	128.5
Add share based (C$m)	1.8	3.5	4.7	4.7	4.7
Net change wkg cap (C$m)	0.2	(20.6)	20.7	11.8	2.6
Cash flow ops (C$m)	**(17.8)**	**(13.6)**	**(3.9)**	**69.0**	**82.0**
PP&E - build + sust. (C$m)	(0.0)	(15.1)	(20.0)	(5.0)	(5.0)
PP&E - expl'n (C$m)	-	-	-	-	-
Cash flow inv. (C$m)	**(0.2)**	**(14.5)**	**(20.0)**	**(5.0)**	**(5.0)**
Share issue (C$m)	24.9	90.1	-	-	-
Debt draw (repay) (C$m)	(0.2)	-	-	-	-
Cash flow fin. (C$m)	**24.6**	**87.3**	**-**	**-**	**-**
Net change in cash (C$m)	6.6	59.2	(23.9)	64.0	77.0
Balance sheet	**CY24E**	**CY25E**	**CY26E**	**CY27E**	**CY28E**
Cash (C$m)	17.5	76.7	52.9	116.9	193.9
Acc rec. + invet. (C$m)	4.4	7.3	28.2	43.0	46.6
PP&E & expl'n (C$m)	17.6	106.9	121.4	114.7	107.0
Total assets (C$m)	**39.6**	**190.9**	**202.4**	**274.6**	**347.5**
Debt (C$m)	-	15.3	15.3	15.3	15.3
Accounts payable (C$m)	3.6	7.5	7.7	10.7	11.7
Others (C$m)	21.0	82.5	79.5	158.4	238.9
Total liabilities (C$m)	4.5	79.8	79.9	83.0	84.0
Shareholders' equity (C$m)	71.3	142.5	147.3	152.0	156.7
Reserves (C$m)	5.4	15.4	15.4	15.4	15.4
Retained earnings (C$m)	(41.6)	(46.7)	(40.1)	24.3	91.5
Liabilities + equity (C$m)	**39.6**	**190.9**	**202.4**	**274.6**	**347.5**

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NOT RATED (N/R): The stock is not currently rated

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Summary of Recommendations as of January 2026	
BUY:	55
HOLD:	0
SELL:	0
UNDER REVIEW:	0
TENDER:	0
NOT RATED:	0
TOTAL	55

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