

<b>Ticker:</b> MNO CN	<b>PF Cash:</b> US\$86m	<b>Project:</b> Cabaçal
<b>Market cap:</b> C\$755m	<b>Price:</b> C\$1.48/sh	<b>Country:</b> Brazil
<i>REC. (unc): BUY</i>	<i>TARGET (unc): C\$2.80/sh</i>	<i>RISK RATING (unc): HIGH</i>

*Our key takeaway of today's news is that the recent C\$57.5m financing (SCPe ~C\$120m pro forma liquidity) provides Meridian with the financial capacity to accelerate the pathway to production through the ordering of long-lead items and advancement of pre-construction activities at Cabaçal, with construction targeted for 1H27. In parallel, Meridian can chase growth via a 10,750m regional exploration drill program across its greenstone belt portfolio and is evaluating a potential dual listing on the London Stock Exchange. Big picture, with few near-term, low-capex development assets globally, Cabaçal stands out at ~140kozpa AuEq LOM and ~US\$290m pa FCF (SCPe LT US\$3,600/oz Au), with additional upside from satellite growth and resource conversion in a mining-friendly jurisdiction. As such, we **maintain our BUY rating and our C\$2.80 PT** based on a 0.5x NAV for Cabaçal and a US\$100/oz nominal valuation to Santa Helena. The company trades at ~0.35x P/NAV versus peers at 0.6–1.0x, a cap we think closes on further de-risking catalysts including the DFS and FID.*

### **Meridian accelerates low cost ~140kozpa AuEq Cabaçal asset in Brazil towards 1H27 build start**

Today, Meridian announced it is bringing forward various programs to accelerate the restart of Cabaçal following the recent C\$57.5m financing, including ordering long-lead equipment and advancing pre-construction civil works ahead of the planned DFS in 2026 and a targeted production restart in 2028. The Company also outlined up to 10,750m of diamond drilling across the Cabaçal, Jauru, and Araputanga Greenstone Belts and Espigão prospects in 2026, while reporting additional high-grade polymetallic VMS intersections at Santa Helena Central (2.6m @ 2.4g/t Au, 1.7% Cu, 93.2g/t Ag, 15.7% Zn & 2.6% Pb and 5.7m @ 1.0g/t Au, 1.0% Cu, 27.6g/t Ag, 5.2% Zn and 0.9% Pb). In parallel, Meridian is evaluating a potential dual listing on the London Stock Exchange Main Market under the Equity Shares (Commercial Companies) segment to broaden access to UK capital and potential FTSE index inclusion.

### **Why we like Meridian**

1. Low cost, low strip 141koz pa open-pittable project on infrastructure in 'quick to permit' Brazil
2. Larger 4.5Mtpa staged build enables early cash flow funding and increased M&A appeal
3. Satellite upside 'in for free' along the belt including Santa Helena and new prospects

### **Catalysts**

- 4Q26: Cabaçal DFS
- 2H26: FID and construction

### **Research**

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Ticker: MNO CN	Price, MC: C\$1.66/sh, C\$755m	Project PNAV today: 0.32x	Asset: Cabaçal
Author: B Gaspar	Rec. 0.5xNAV PT: BUY, C\$2.8/sh	1xNAV <sub>1Q26</sub> FD: C\$5.10/sh	Country: Brazil

Commodity price	CY25E	CY26E	CY27E	CY28E	Resource / Reserve / Inventory	Tonnes (Mt)	Grade	Ounces	% M&I
Copper price	9,968	10,447	9,344	8,930	Published 1Q26 MRE at SCP LT px	75Mt	0.89g/t AuEq	2152koz	100%
Gold price	3,441	4,050	3,800	3,600	SCP inventory at SCP LT px	42Mt	1.00g/t AuEq	1340koz	
Silver price	40	73	60	50					

**SOTP project valuation\***

	US\$m	O/ship	NAVx	C\$/sh
Cabaçal NPV ungeared @ build start CY 4Q26	1,629	100%	0.50x	2.44
SCPe Santa Helena 240koz @ US\$100/oz	24	100%	1.00x	0.07
3Q25 Cash + Raise	84	100%	1.00x	0.25
Cash from ITM options	10	100%	1.00x	0.03
<b>Group NAV5% US\$3600/oz</b>	<b>1,747</b>			<b>2.79</b>

\*Shares diluted for options mine build

Resource / Reserve / Inventory	Tonnes (Mt)	Grade	Ounces	% M&I
Published 1Q26 MRE at SCP LT px	75Mt	0.89g/t AuEq	2152koz	100%
SCP inventory at SCP LT px	42Mt	1.00g/t AuEq	1340koz	

**Company NAV: (US\$m, ungeared)\***

Company NAV (C\$m)	\$2600oz	\$3100oz	\$3600oz	\$4300oz	\$5000oz
Discount rate: 10%	1,000	1,171	1,341	1,579	1,817
Discount rate: 7%	1,173	1,370	1,567	1,842	2,117
Discount rate: 5%	1,312	1,529	1,747	2,052	2,357
Ungeared project IRR:	72%	82%	92%	105%	118%

**Capital structure**

	Basic	FD for ITM options	FD for build
Shares out (m)	454.7	477.2	540.4

**Ratio analysis (CY to Dec)**

	CY25E	CY26E	CY27E	CY28E	CY29E
Average shares out (m)	363.9	473.1	491.4	491.4	491.4
EPS (US\$/sh)	-	-	-	0.40	0.48
CFPS (US\$/sh)	-	-	-	0.29	0.53
EV (US\$m)	564.0	700.3	910.4	767.1	505.0
FCF yield (%)	-	-	-	18%	32%
PER (x)	-	-	-	4.1x	3.5x
EV/EBITDA (x)	-	-	-	2.7	1.5

**SCPe NAVPS Price Target (C\$/sh)**

	\$2600oz	\$3100oz	\$3600oz	\$4300oz	\$5000oz
Discount rate: 10%	1.67	1.93	2.18	2.54	2.90
Discount rate: 7%	1.93	2.23	2.52	2.93	3.35
Discount rate: 5%	2.14	2.47	2.79	3.25	3.70

**Income statement**

	CY25E	CY26E	CY27E	CY28E	CY29E
Net revenue (US\$m)	-	-	-	349.7	419.8
COGS (US\$m)	-	-	-	64.9	88.0
Gross profit (US\$m)	-	-	-	284.8	331.8
D&A, attrib (US\$m)	0.2	-	-	20.6	25.9
G&A + sh based costs (US\$m)	6.7	7.9	6.4	4.8	4.8
Expln + fin. cost (US\$m)	12.0	8.0	9.5	16.0	12.8
Taxes (US\$m)	-	-	-	44.7	51.7
Net income (US\$m)	(18.8)	(15.9)	(15.8)	198.7	236.4
EBITDA (US\$m)	(18.6)	(15.5)	(6.2)	280.1	327.5

**Group NAV over time^**

	Mar-26	Mar-27	Jun-28	Mar-29	Mar-30
Cabaçal NPV (US\$m)	1,648.9	1,777.9	2,104.1	1,964.3	1,764.3
Santa Helena nominal (US\$m)	24.0	24.0	24.0	24.0	24.0
G&A and fin. costs (US\$m)	(51.6)	(43.2)	(24.9)	(9.2)	9.1
Net cash prior qtr (US\$m)	71.9	41.3	(141.2)	122.9	373.0
Cash from options (US\$m)	10.0	10.0	10.0	10.0	10.0
NAV FF FD (US\$m)	1,703	1,810	1,972	2,112	2,180
FF FD Shares in issue (m)	477	514	514	514	514
1xNAV5%/sh FF FD (C\$/sh)*	5.10	5.03	5.48	5.87	6.06

**Cash flow, attrib.**

	CY25E	CY26E	CY27E	CY28E	CY29E
Add D&A / share bsd (US\$m)	2.7	3.0	1.5	20.6	25.9
Adjust fin. cost (US\$m)	0.0	-	-	-	-
Change in wkg cap (US\$m)	0.1	-	-	32.3	(3.0)
Other non-cash (US\$m)	(0.2)	-	-	(64.6)	6.1
<b>Cash flow ops (US\$m)</b>	<b>(16.2)</b>	<b>(12.9)</b>	<b>(14.3)</b>	<b>187.0</b>	<b>265.4</b>
PP&E - build + sust. (US\$m)	0.2	41.3	165.3	43.8	3.2
PP&E - expl'n (US\$m)	0.3	-	-	-	-
<b>Cash flow inv. (US\$m)</b>	<b>(0.5)</b>	<b>(41.3)</b>	<b>(165.3)</b>	<b>(43.8)</b>	<b>(3.2)</b>
Share issue (US\$m)	48.7	99.2	-	-	-
Debt draw (repay) (US\$m)	-	32.2	129.0	-	(53.7)
<b>Cash flow fin. (US\$m)</b>	<b>48.7</b>	<b>131.4</b>	<b>129.0</b>	<b>-</b>	<b>(53.7)</b>
Net change in cash (US\$m)	32.0	77.2	(50.7)	143.3	208.4

**Geared NAV and PT, diluted for build, net G&A and fin. costs^**

NAV at first gold (C\$m)	\$2600oz	\$3100oz	\$3600oz	\$4300oz	\$5000oz
Discount rate: 10%	1,239	1,454	1,669	1,970	2,271
Discount rate: 7%	1,369	1,604	1,839	2,167	2,496
Discount rate: 5%	1,471	1,721	1,972	2,323	2,674
Geared project IRR:	67%	77%	86%	99%	112%

**1xNAVPS at first gold (C\$/sh)\***

	\$2600oz	\$3100oz	\$3600oz	\$4300oz	\$5000oz
Discount rate: 10%	3.45	4.04	4.64	5.48	6.31
Discount rate: 7%	3.81	4.46	5.11	6.03	6.94
Discount rate: 5%	4.09	4.79	5.48	6.46	7.43

**Balance sheet**

	CY25E	CY26E	CY27E	CY28E	CY29E
Cash (US\$m)	40.0	117.3	66.6	209.8	418.3
Acc rec., inv, prepaid (US\$m)	-	-	-	36.9	34.0
PP&E + other (US\$m)	4.6	45.9	211.3	234.4	211.7
<b>Total assets (US\$m)</b>	<b>45</b>	<b>163</b>	<b>278</b>	<b>481</b>	<b>664</b>
Debt (US\$m)	-	32.2	161.2	161.2	107.5
Accounts payable (US\$m)	2.5	2.5	2.5	7.1	7.3
Stream liab / oth (US\$m)	0.4	0.4	0.4	0.4	0.4
Total liabilities (US\$m)	2.9	35.2	164.1	168.7	115.2
Issued capital (US\$m)	111.4	213.6	215.2	215.2	215.2
Retained earnings (US\$m)	(69.7)	(85.6)	(101.4)	97.2	333.7
<b>Liabilities + equity (US\$m)</b>	<b>45</b>	<b>163</b>	<b>278</b>	<b>481</b>	<b>664</b>

Source: SCP estimates



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Summary of Recommendations as of February 2026	
BUY:	56
HOLD:	0
SELL:	0
UNDER REVIEW:	0
TENDER:	0
NOT RATED:	0
TOTAL	56

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