

**Ticker:** NEXM CN

**4Q25 cash:** C\$40m

**Project:** Selebi-Phikwe / Selkirk

**Market cap:** C\$130m

**Price:** C\$3.65/sh

**Country:** Botswana

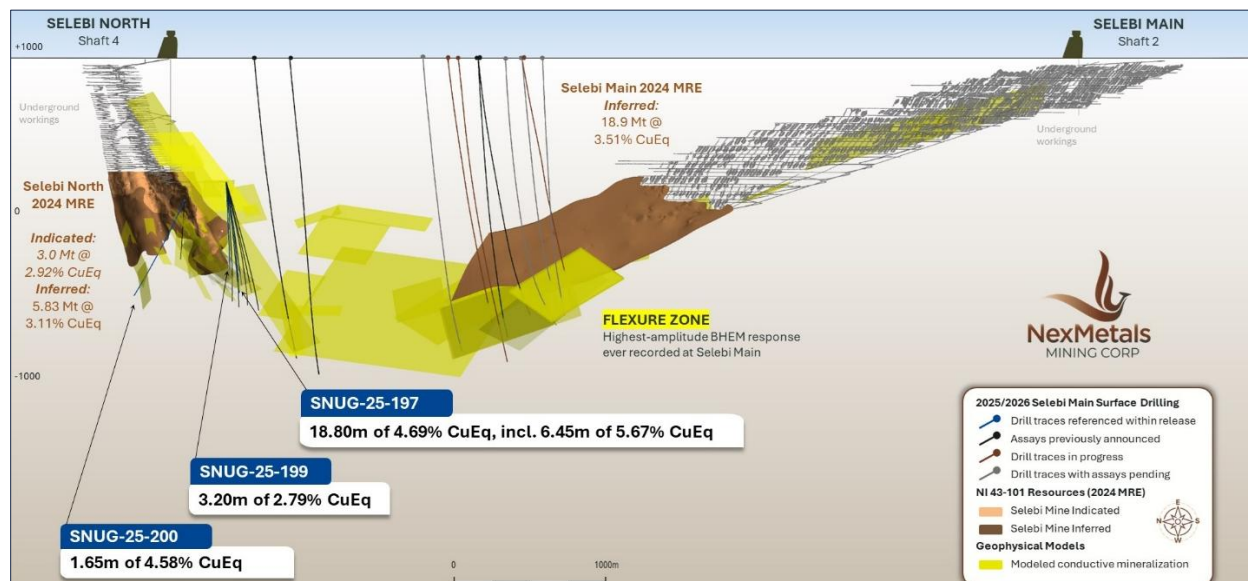
**REC. (unc):** BUY

**TARGET (unc):** C\$12.7/sh

**RISK RATING (unc):** HIGH

Key takeaways from today's drilling. While not true thickness (TT), today's headline intercept of **18.8m @ 4.69% CuEq** (2.10% Cu, 1.26% Ni) from 724.7m reinforces grade continuity at depth over mineable thickness, even conservatively assuming 50% TT. Stepping back, the 2025 drill program has now delineated mineralization (i) ~315m below Selebi North 8.8Mt @ 3.05% CuEq (today's headline), (ii) ~685m below the 18.9Mt @ 3.51% CuEq MRE at Selebi Main previously (see note [here](#)). Finally, drilling between these two deposits (>1,000m beyond Selebi North) confirmed >6% CuEq grade and validated the conductive plates are 'mineralized'—all pointing to a larger system, in line with our original thesis. As such, we **maintain our BUY rating and C\$12.70/sh price target** based on 0.6xNAV5%-\$10,000 for our nominal 20Mt UG inventory and 1.7Mtpa mine plan, plus 'same again' growth by the drill bit. Despite continued positive drilling, the stock trades at <0.2x NAV, highlighting a clear disconnect between valuation and asset quality. **The key catalyst is the 2H26 MRE update and subsequent PEA**, which should provide a 'first look' at mining parameters, economics, and upfront capital requirements. **We continue to view Selebi as a rare, quality brownfield Cu-Ni asset, with the PEA expected to highlight underlying value and support a re-rating.**

**Figure 1. Long section Selebi North > Main with 2024 MRE and showing 2025 drilling**



Source: NexMetals Mining

## Selebi North UG: 18.8m @ 4.69% CuEq headlines final 2025 drill results

Today, NexMetals reported final 2025 Selebi North underground drill results (3 holes) including **18.8m @ 4.69% CuEq** from 724.7m (2.10% Cu, 1.26% Ni), incl. **6.45m @ 5.67% CuEq** from 737.0m, and 3.2m @ 2.79% CuEq from 536.2m from its 11-hole (9,656m) drill program. Drilling extended South Limb mineralization ~315m down-plunge (~35% beyond 2024 MRE) and confirms continuity of high-grade mineralization with the deepest holes suggesting improving copper grades down-plunge. These results, alongside the 2023-2025 Selebi North and 2026 Selebi Main drill holes, will be incorporated into an updated MRE, which will underpin a PEA expected in 2H26.

## Why we like NexMetals

- Existing 72Mt @ 2.2% CuEq in mining-friendly Botswana on infrastructure
- Geological upside: SCPe >50Mt potential LT through resource extension drilling

3. The UG Selebi Mine (27.7Mt @ 3.0% CuEq MRE) is ~2% payable-recoverable CuEq (55-45 Cu-Ni split)

### Catalysts

- 1H26: Drill results
- 2H26: Selebi & Selkirk MRE update, PEA
- 1H27: SCPe build start
- 2028: SCPe first production

### Research

**Brandon Gaspar** (Toronto) m +1 437 533 3142 [bgaspar@scp-rf.com](mailto:bgaspar@scp-rf.com)

**Ken Ilodibe** (Toronto) m +1 204 963 3423 [kilodibe@scp-rf.com](mailto:kilodibe@scp-rf.com)

**Omeet Singh** (Toronto) m +1 647 527 7509 [osingh@scp-rf.com](mailto:osingh@scp-rf.com)

**Moatasm Almaouie** (Toronto) m +1 780 299 5151 [malmaouie@scp-rf.com](mailto:malmaouie@scp-rf.com)

Ticker: NEXM CN	Price / mkt cap: C\$3.65/sh, C\$130m	P/NAV today: 0.17x	Country: Botswana
Author: B Gaspar	Rec / PT: BUY, C\$12.7/sh	1xNAV7%: C\$21.20/sh	Asset: Selebi-Phikwe / Selkirk

Commodity price	CY25A	CY26E	CY27E	CY28E	CY29E
Cu price (US\$/t)	9,968	11,094	11,026	10,000	10,000
Cu price (US\$/t, payable)	7,955	8,853	8,798	7,980	7,980
Share data (m)	Basic	FD	FF	FD	
Shares (m)	35.5	57.9	94.3		
SOTP project valuation*	C\$m	o/ship	NAVx	C\$/sh	
Selebi-Phikwe @ build start	456	100%	1.00x	7.88	
Nominal exploration upside	456	100%	1.00x	7.88	
Selkirk nominal @ 1.5% in-situ	85	100%	1.00x	1.47	
4Q25 cash	40	100%	1.00x	0.69	
Cash from ITM options/warrants	191	100%	1.00x	3.29	
<b>1XNAV C\$</b>	<b>1,228</b>			<b>21.20</b>	

\*Build start, ex fin. cost + G&A, dil. for optns not build P/NAV today: 0.17x

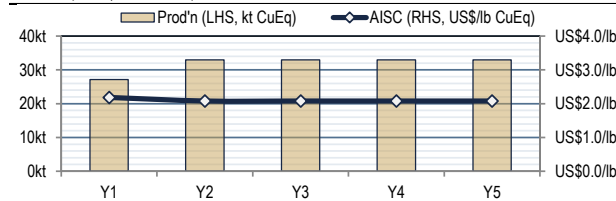
1xNPV project (C\$m, ungeared)* sensitized to Cu px and discount rate					
Asset NPV (C\$m)	9,000	10,000	11,500	12,500	13,500
10.0% discount	375	585	898	1,107	1,317
7.0% discount	657	913	1,296	1,552	1,808
5.0% discount	896	1,192	1,634	1,929	2,224
Ungeared project IRR:	16%	19%	23%	26%	28%
Asset NPV (C\$/sh)	9,000	10,000	11,500	12,500	13,500
10.0% discount	6.48	10.09	15.51	19.12	22.73
7.0% discount	11.33	15.75	22.38	26.79	31.21
5.0% discount	15.47	20.57	28.21	33.30	38.39

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

Group valuation over time:	Jun-26	Jun-27	Jun-28	Mar-29	Jun-30
Project NPV	434	532	846	1,096	1,058
Nominal exploration upside	456	456	456	456	456
Selkirk nominal @ 1.5% in-si	85	85	85	85	85
Central G&A and finance cos	(273)	(246)	(197)	(152)	(114)
Net cash prior quarter	29	218	(111)	(363)	(313)
Cash from ITM options/warra	190.5	190.5	190.5	190.5	190.5
Total NAV (C\$m)	921	1,236	1,270	1,313	1,363
FF FD share count (m)	58	117	117	117	117
1xNAV7%/sh FF FD (C\$/sh)	15.90	10.59	10.88	11.24	11.68

Exit value: 1xNAV/sh company @ 2029 first production (C\$, geared)*					
1xNAV (C\$m)	9,000	10,000	11,500	12,500	13,500
10.0% discount	829	1,078	1,451	1,700	1,949
7.0% discount	1,073	1,363	1,798	2,088	2,378
5.0% discount	1,276	1,601	2,087	2,411	2,735
1xNAV (C\$/sh)	9,000	10,000	11,500	12,500	13,500
10.0% discount	7.10	9.24	12.43	14.56	16.70
7.0% discount	9.19	11.68	15.40	17.89	20.37
5.0% discount	10.93	13.71	17.87	20.65	23.42

Production (Y1 from 1Q29)	Y1	Y2	Y3	Y4	Y5
Production (kt CuEq)*	27.1	33.0	33.0	33.0	33.0
AISC Co-prod. (US\$/lb CuEq)	2.18	2.08	2.08	2.08	2.08



Source: SCP estimates

Resource/Inventory @ SCP LT p:	Mt	CuEq %	NI Eq %	%M&I
Selkirk 43-101 OP M&I	44 Mt	1.0%	0.5%	0%
Selebi M&I	28 Mt	3.2%	1.7%	9%
Total M&I	72 Mt	2.1%	1.1%	6%
SCP Inventory	20 Mt	3.2%	1.7%	
Funding: Uses		Funding: Sources		
Pre-FID expl'n / G&A (C\$m):	44	Net Cash+pre prod'n ITM op (C\$m): 230		
Build capex (C\$m):	531	SCPe funding to FID (C\$m): 0		
Fin. cost + WC over DFS (C\$m):	67	Build equity (C\$m): 301		
Asset purchase agreement (C\$m)	40	65% geared debt (C\$m): 345		
Total uses (C\$m)	682	Total sources (C\$m) 876		
		Buffer/ drill budget: 194		

Ratio analysis	CY25A	CY26E	CY27E	CY28E	CY29E
Shares out (m)	35.5	94.3	94.3	94.3	94.3
EPS (C\$/sh)	-	-	-	-	86.1
CFPS before w/c (C\$/sh)	-	-	-	-	(55.0)
EV (C\$m)	89.8	47.9	370.7	707.5	701.3
FCF yield (%)	-	-	-	-	2%

Income statement	CY25A	CY26E	CY27E	CY28E	CY29E
Revenue (C\$m)	-	-	-	-	360.2
COGS (C\$m)	-	-	-	-	170.7
Gross profit (C\$m)	-	-	-	-	189.5
G&A (C\$m)	13.4	12.0	12.0	12.0	12.0
Exploration (C\$m)	36.1	32.0	32.0	32.0	-
Finance costs (C\$m)	6.4	-	13.8	27.6	27.6
Tax (C\$m)	-	-	-	-	31.2
Other (C\$m)	3.2	2.3	1.7	1.9	37.5
Net income (C\$m)	(59.1)	(46.3)	(59.5)	(73.6)	81.2

Cash flow statement	CY25A	CY26E	CY27E	CY28E	CY29E
EBITDA (C\$m)	(60.2)	(44.3)	(44.3)	(44.3)	177.2
Add share based (C\$m)	-	0.3	0.3	0.3	0.3
Net change wkg cap (C\$m)	0.1	-	-	-	58.1
Cash flow ops (C\$m)	(47.6)	(44.0)	(57.2)	(71.2)	60.6
PP&E - build + sust. (C\$m)	(2.8)	-	(265.6)	(265.6)	(14.5)
PP&E - expl'n (C\$m)	-	-	-	-	-
Cash flow inv. (C\$m)	(37.2)	-	(265.6)	(265.6)	(54.4)
Share issue (C\$m)	126.0	300.6	-	-	-
Debt draw (repay) (C\$m)	-	-	345.3	-	-
Cash flow fin. (C\$m)	119.7	300.6	345.3	-	-
Net change in cash (C\$m)	33.7	256.7	22.5	(336.8)	6.2

Balance sheet	CY25A	CY26E	CY27E	CY28E	CY29E
Cash (C\$m)	39.8	296.4	318.9	(17.9)	(11.7)
Acc rec. + invet. (C\$m)	6.7	6.7	6.7	6.7	77.1
PP&E & expl'n (C\$m)	52.0	50.0	313.6	577.2	554.5
Total assets (C\$m)	98.5	353.1	639.2	565.9	619.9
Debt (C\$m)	-	-	345.3	345.3	345.3
Accounts payable (C\$m)	9.5	9.5	9.5	9.5	21.8
Others (C\$m)	46.5	303.1	325.6	(11.2)	65.4
Total liabilities (C\$m)	15.6	15.6	360.9	360.9	373.2
Shareholders' equity (C\$m)	291.9	592.8	593.1	593.3	593.6
Reserves (C\$m)	-	-	-	-	-
Retained earnings (C\$m)	(208.9)	(255.2)	(314.7)	(388.3)	(346.9)
Liabilities + equity (C\$m)	98.5	353.1	639.2	565.9	619.9

**DISCLOSURES & DISCLAIMERS**

This research report (as defined under CIRO Rule 3600, Part B) is issued and approved for distribution in Canada by SCP Resource Finance LP (“SCP”), an investment dealer who is a member of The Canadian Investment Regulatory Organization (“CIRO”) and the Canadian Investor Protection Fund (“CIPF”). This research report is provided to retail clients and institutional investors for information purposes only. The opinions expressed in this report are the opinions of the author and readers should not assume they reflect the opinions or recommendations of SCP’s research department. The information in this report is drawn from sources believed to be reliable but the accuracy or completeness of the information is not guaranteed, nor in providing it does SCP or persons assume any responsibility or liability whatsoever. This report is not to be construed as an offer to sell or a solicitation of an offer to buy any securities. SCP accepts no liability whatsoever for any loss arising from any use or reliance on this research report or the information contained herein. Past performance is not a guarantee of future results, and no representation or warranty, expressed or implied, is made regarding future performance of any security mentioned in this research report. The price of the securities mentioned in this research report and the income they generate may fluctuate and/or be adversely affected by market factors or exchange rates, and investors may realize losses on investments in such securities, including the loss of investment principal. Furthermore, the securities discussed in this research report may not be liquid investments, may have a high level of volatility or may be subject to additional and special risks associated with securities and investments in emerging markets and/or foreign countries that may give rise to substantial risk and are not suitable for all investors. SCP may participate in an underwriting of, have a position in, or make a market in, the securities mentioned herein, including options, futures or other derivatives instruments thereon, and may, as a principal or agent, buy or sell such products.

**DISSEMINATION OF RESEARCH:** SCP’s research is distributed electronically through email or available in hard copy upon request. Research is disseminated concurrently to a pre-determined list of clients provided by SCP’s Institutional Sales Representative and retail Investment Advisors. Should you wish to no longer receive electronic communications from us, please contact [unsubscribe@scp-rf.com](mailto:unsubscribe@scp-rf.com) and indicate in the subject line your full name and/or corporate entity name and that you wish to unsubscribe from receiving research.

**RESEARCH ANALYST CERTIFICATION:** Each Research Analyst and/or Associate who is involved in the preparation of this research report hereby certifies that:

- The views and recommendations expressed herein accurately reflect his/her personal views about any and all of the securities or issuers that are the subject matter of this research report;
- His/her compensation is not and will not be directly related to the specific recommendations or view expressed by the Research analyst in this research report;
- They have not affected a trade in a security of any class of the issuer within the 30-day period prior to the publication of this research report;
- They have not distributed or discussed this Research Report to/with the issuer, investment banking group or any other third party except for the sole purpose of verifying factual information; and
- They are unaware of any other potential conflicts of interest.

**UK RESIDENTS:** SCP Partners UK Limited (“SCP UK”) is an appointed representative of PillarFour Securities LLP which is authorized and regulated by the Financial Conduct Authority. This document has been approved under section 21(1) of the FMSA 2000 by PillarFour Securities LLP (“PillarFour”) for communication only to eligible counterparties and professional clients as those terms are defined by the rules of the Financial Conduct Authority. Its contents are not directed at UK retail clients. PillarFour does not provide investment services to retail clients. PillarFour publishes this document as non-independent research which is a marketing communication under the Conduct of Business rules. It has not been prepared in accordance with the regulatory rules relating to independent research, nor is it subject to the prohibition on dealing ahead of the dissemination of investment research. It does not constitute a personal recommendation and does not constitute an offer or a solicitation to buy or sell any security. SCP UK and PillarFour consider this note to be an acceptable minor non-monetary benefit as defined by the FCA which may be received without charge. This is because the content is either considered to be commissioned by SCP UK’s clients as part of their advisory services to them or is short term market commentary. Neither SCP UK nor PillarFour nor any of its directors, officers, employees or agents shall have any liability, howsoever arising, for any error or incompleteness of fact or opinion in it or lack of care in its preparation or publication; provided that this shall not exclude liability to the extent that this is impermissible under the law relating to financial services. All statements and opinions are made as of the date on the face of this document and are not held out as applicable thereafter. This document is intended for distribution only in those jurisdictions where PillarFour is permitted to distribute its research.

**IMPORTANT DISCLOSURES FOR U.S. PERSONS:** This research report was prepared by SCP Resource Finance LP (“SCP”), a company authorized to engage in securities activities in Canada. SCP is not a registered broker/dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution to “major U.S. institutional investors” in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”). Any U.S. recipient of this research report wishing to effect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only SCP Real Assets, LLC (“SCP-RA”), a broker dealer in the United States registered with the Securities Exchange Commission (“SEC”), the Financial Industry Regulatory Authority (“FINRA”), and a member of the Securities Investor Protection Corporation (“SIPC”). Under no circumstances should any recipient of this research report effect any transaction to buy or sell securities or related financial instruments through SCP.

SCP-RA accepts responsibility for the contents of this research report, subject to the terms set out below, to the extent that it is delivered to a U.S. person other than a major U.S. institutional investor. The analyst whose name appears in this research report is not licensed, registered, or qualified as a research analyst with FINRA and may not be an associated person of SCP-RA and, therefore, may not be subject to applicable restrictions under FINRA Rule 2241 regarding communications by a research analyst with a subject company, public appearances by the research analyst, and trading securities held by a research analyst account. To make further inquiries related to this report, United States residents should contact their SCP-RA representative.

**ANALYST CERTIFICATION / REGULATION AC:** The analyst and associate certify that the views expressed in this research report accurately reflect their personal views about the subject securities or issuers. In addition, the analyst and associate certify that no part of their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

**SCP RESOURCE FINANCE EXPLANATION OF RECOMMENDATIONS:** Should SCP issue research with recommendations, the research rating guidelines will be based on the following recommendations:

**BUY:** The stocks total returns are expected to be materially better than the overall market with higher return expectations needed for more risky securities markets

**NEUTRAL:** The stock's total returns are expected to be in line with the overall market

**SELL:** The stocks total returns are expected to be materially lower than the overall market

**TENDER:** The analyst recommends tendering shares to a formal tender offering

**UNDER REVIEW:** The stock will be placed under review when there is a significant material event with further information pending; and/or when the research analyst determines it is necessary to await adequate information that could potentially lead to a re-evaluation of the rating, target price or forecast; and/or when coverage of a particular security is transferred from one analyst to another to give the new analyst time to reconfirm the rating, target price or forecast.

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

Research Disclosure		Response
1	SCP collectively beneficially owns 1% or more of any class of the issuer's equity securities <sup>1</sup>	NO
2	The analyst or any associate of the analyst responsible for the report or recommendation or any individual directly involved in the preparation of the report holds or is short any of the issuer's securities directly or through derivatives	NO
3	An SCP partner, director, officer or analyst involved in the preparation of a report on the issuer, has during the preceding 12 months provided services to the issuer for remuneration other than normal course investment advisory or trading execution services	NO
4	SCP has provided investment banking services for the issuer during the 12 months preceding the date of issuance of the research report or recommendation	YES
5	Name of any director, officer, employee or agent of SCP who is an officer, director or employee of the issuer, or who serves in an advisory capacity to the issuer	NO
6	SCP is making a market in an equity or equity related security of the issuer	NO
7	The analyst preparing this report received compensation based upon SCP's investment banking revenue for the issuer	NO
8	The analyst has conducted a site visit and has viewed a major facility or operation of the issuer	YES
9	The analyst has been reimbursed for travel expenses for a site visit by the issuer	NO

SCP Resource Finance Equity Research Ratings:

Summary of Recommendations as of April 2026	
BUY:	60
HOLD:	0
SELL:	0
UNDER REVIEW:	0
TENDER:	0
NOT RATED:	0
TOTAL	60

<sup>1</sup> As at the end of the month immediately preceding the date of issuance of the research report or the end of the second most recent month if the issue date is less than 10 calendar days after the end of the most recent month