

Ticker: ARIC CN
Market cap: C\$86m

Cash: US\$12m
Price: C\$0.79/sh

Project: Odienné
Country: Côte d'Ivoire

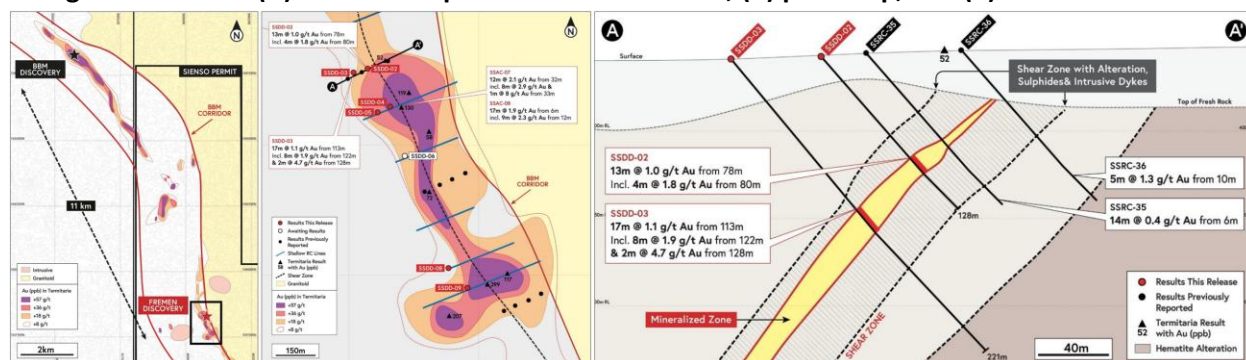
REC. (unc): BUY

TARGET (unc): C\$1.80/sh

RISK RATING (unc): SPECULATIVE

Today's results from the Phase 3 program at Fremen (100% owned) follows earlier generative drilling rounds with diamond drilling, confirming mineralization extends over 1km of strike. Notably, the NW portion of today's drilling shows good grades and widths in the fresh rock including **17.0m @ 1.9g/t Au** (incl. 9.0m @ 2.3g/t) and **12m @ 2.1g/t** (incl. 1.0m @ 8.2g/t) from the AC holes and **17.0m @ 1.1g/t** (incl. 2m @ 4.7g/t) and **13.0m @ 1.0g/t** (incl. 4.0m @ 1.8g/t) from the DD holes. The area offers promising structural features, located at a flexure of a regional scale shear zone, hosted within intrusive rocks (like BBM), with later intrusive felsic to intermediate dykes (similar to Charger) that also host mineralisation. We expect follow up drilling here to expand target down dip and along strike to the SE, with closer spaced stepouts and step downs. We see potential for the first of a series of satellites at Fremen, which importantly offers proof of concept that the host conditions we see on the Odienné JV grounds are also present on Awalé's 100% owned tenements. Looking ahead to the upcoming MRE, we expect a 1.5–2.0Moz AuEq initial resource in the 2Q26 MRE update (SCPe in the coming weeks) supporting an SCPe 150kozpa standalone operation generating SCPe US\$1.17bn NPV5% at US\$3,600/oz. Awalé's attributable 25% share alone equates to ~C\$3.00/sh, underpinning the core thesis: whether Awalé consolidates the project by acquiring Newmont's interest or a third-party acquiror targets the asset, we see material upside to the current ~0.23x NAV. **We maintain our BUY rating and our C\$1.80/sh price target** based on 0.5xNAV5% at US\$3,600/oz Au LT and 25% ownership of Odienné and US\$50m nominal for 100% owned licenses. Upcoming catalysts: maiden MRE (2Q26) and PEA (late 2Q26/early 3Q26). At 150-200kozpa, we think Odienné has critical mass for an attractive mid-tier asset, but below Newmont's typical asset threshold, which we think sets up two value unlock paths for ARIC shareholders: a Greatland/Telfer-style scenario where ARIC buys Newmont's stake, or M&A where a mid-tier acquires both Newmont's interest and Awalé together: we think both outcomes would see ARIC re-rate from the current 0.23x NAV.

Figure 1. Fremen (A) location map with distance to BBM, (B) plan map, and (C) cross-section A-A'



Source: Awalé Resources

Fremen drilling hits 17m @ 1.1g/t in fresh rock, advancing discovery on 100% owned ground

Today, Awalé released 9 AC and 7 DD results at Fremen target (100%-owned) at Odienné from the Phase 3 drill program of 126 hole 5,120m (8DD-1,571m and 116AC-3,639m), results from 51AC and 1DD are pending. Highlights from today's AC holes include SSAC0008 **17.0m @ 1.9g/t Au** from 6m (incl. 9.0m @ 2.3g/t) and SSAC0007 **12m @ 2.1g/t** from 32m (incl. 1.0m @ 8.2g/t) while highlights from the DD holes include SSDD0003 **17.0m @ 1.1g/t** from 113m (incl. 2m @ 4.7g/t) and SSDD0002 **13.0m @ 1.0g/t** from 78m (incl. 4.0m @ 1.8g/t). Awalé indicated that the mineralization now extends over a 1km strike. Awalé describes gold mineralization at Fremen as located at a major flexure along a regional-scale shear zone, flanked by a large granitoid intrusive body. This package is intruded by a series of mineralized dykes with similar composition to the Charger target. Mineralization is associated with biotite-actinolite-titanite

alteration along with sulphides and silica with similar hanging wall alteration to BBM and the Charger Breccias (hematite K-feldspar +/- epidote).

Why we like Awalé Resources

1. SCPe 1.5-2.0Moz AuEq with upcoming MRE in the coming weeks
2. 150kozpa production potential that could grow to 200kozpa plus with new discoveries
3. Undervalued and overlooked due to Newmont JV but we see this as an opportunity

Catalysts

- 2025-2026: 88,000m drilling
- 2Q26: MRE
- 3Q26: PEA
- 3Q27: PFS

Research

Justin Chan (London) m +44 7554 784 861 jchan@scp-rf.com

Ken Ilodibe (Toronto) m +1 204 963 3423 kilodibe@scp-rf.com

Omeet Singh (London) m +44 7946 568 696 osingh@scp-rf.com

Moatasm Almaouie (Toronto) m +1 780 299 5151 malmaouie@scp-rf.com

Ticker: ARIC CN	Price / mkt cap: C\$0.79/sh, C\$86m	Market P/NAV: 0.23x	Assets: Odienne
Authors: J Chan	Rec / 0.5x NAV: BUY / C\$1.80	1xNAVFD: C\$3.38/sh	Country: Cote D'Ivoire

Group-level SOTP valuation						Resource / Reserve				
	US\$m	O/ship	Attr (US\$m)	NAVx	C\$/sh	Mt	Moz Au	kt Cu	Moz AuEq	EV/oz
Odienne NPV 1Q26	1,168	25%	292	0.50x	1.45	--	--	--	--	--
Central SG&A & fin costs 1Q26	(82)	25%	(21)	0.50x	(0.10)	35.30	1.51	94.50	1.80	87.6
100% owned licences	50	100%	50	0.50x	0.25	Share data				
4Q25 Cash	12	100%	12	1.00x	0.12	Basic shares (m): 108.9				
ITM Options	7	100%	7	1.00x	0.07	FD shares (m): 137.9				
Debt	--	100%	--	1.00x	--	FD + FF				
1xNAV5% US\$3600/oz - FD pre build	1,154		340		1.80	Commodity price				

1xNAV sensitivity to gold price and discount / NAV multiple

1xNAV asset (US\$m)	\$2400oz	\$3000oz	\$3600oz	\$4300oz	\$5000oz
20% discount	0.50	0.70	0.90	1.10	1.30
15% discount	0.60	0.80	1.10	1.30	1.60
10% discount	0.70	1.00	1.30	1.70	2.10
5% discount	0.90	1.40	1.80	2.30	2.80
Valuation (C\$/sh)	\$2400oz	\$3000oz	\$3600oz	\$4300oz	\$5000oz
0.25xNAV	0.90	1.40	1.80	2.30	2.80
0.50xNAV	0.90	1.40	1.80	2.30	2.80
0.75xNAV	0.90	1.40	1.80	2.30	2.80

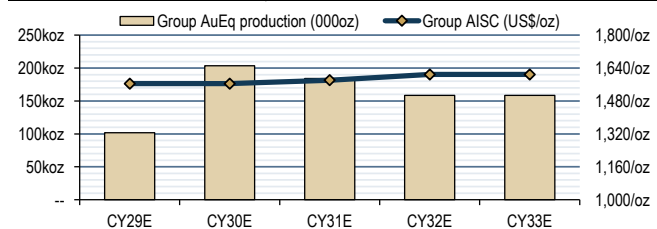
Sources and uses of cash - assumes 100% ownership for mine development

Uses	US\$m	Sources	US\$m
Build Capex (US\$m)	US\$400m	4Q25 Cash	US\$12m
G&A + fin. cost to production (US\$m)	US\$31m	Debt package (US\$m)	US\$240m
Working capital (US\$m)	US\$31m	Equity (US\$m)	US\$184m
Less spent capex	US\$0m	Newmont Spend (US\$m)	US\$25m
Total uses (US\$m)	US\$461m	Total sources (US\$m)	US\$461m
Total contingency buffer (US\$m)	US\$0m		

Valuation over time	Today	2026E	2027E	2028E	2029E
Mines NPV (US\$m)	1,168	1,118	1,177	1,502	1,598
Ctrl G&A & fin costs (US\$m)	(82)	(82)	(83)	(82)	(87)
100% owned licences	50	50	50	50	50
Net cash at 1Q + ITM options (US\$m)	19	16	263	(21)	(104)
1xNAV (US\$m) (attr)	340	325	587	384	323
1xNAV share px FD + FF (C\$/sh)	1.80	3.14	2.45	1.60	1.35
P/NAV (x):	0.44x	0.25x	0.32x	0.49x	0.59x
ROI to equity holder (% pa)	128%	298%	76%	27%	14%

Geared company C\$ 1xNAVPS diluted for mine build, net G&A and interest

1Q25 1xNAV FF FD (C\$/sh) ^a	\$2400oz	\$3000oz	\$3600oz	\$4300oz	\$5000oz
9.0% discount	0.80	1.10	1.40	1.80	2.20
7.0% discount	0.80	1.20	1.60	2.00	2.40
5.0% discount	0.90	1.40	1.80	2.30	2.80
1Q25 1xNAV FF FD (C\$/sh) ^a	\$2400oz	\$3000oz	\$3600oz	\$4300oz	\$5000oz
20% increase in cost per tonne	0.70	1.10	1.60	2.00	2.50
10% increase in cost per tonne	0.80	1.30	1.70	2.20	2.60
0% increase in cost per tonne	0.90	1.40	1.80	2.30	2.80
-10% increase in cost per tonne	1.10	1.50	1.90	2.40	2.90
1Q25 1xNAV FF FD (C\$/sh) ^a	\$2400oz	\$3000oz	\$3600oz	\$4300oz	\$5000oz
20.0% change in capex	0.90	1.30	1.70	2.20	2.70
10.0% change in capex	0.90	1.30	1.70	2.20	2.70
0.0% change in capex	0.90	1.40	1.80	2.30	2.80
-10.0% change in capex	1.00	1.40	1.80	2.30	2.80



Production (100%)	CY29E	CY30E	CY31E	CY32E	CY33E
Group AuEq production (000oz)	102	203	184	159	159
Group cash cost (US\$/oz)	1,109	1,109	1,127	1,158	1,158
Group AISC (US\$/oz)	1,564	1,564	1,581	1,609	1,609

Source: SCP estimates

Resource / Reserve	Mt	Moz Au	kt Cu	Moz AuEq	EV/oz
Measured, ind. & inf.	--	--	--	--	--
Mine inventory (SCPe)	35.30	1.51	94.50	1.80	87.6
Share data					
Basic shares (m): 108.9	FD shares (m):		137.9	FD + FF	274.2
Commodity price	CY25E	CY26E	CY27E	CY28E	CY29E
Gold price (US\$/oz)	3,441	4,441	3,900	3,600	3,600
Ratio analysis (100%)	CY25E	CY26E	CY27E	CY28E	CY29E
FD shares out (m)	103.7	103.5	239.7	239.7	239.7
EPS (US\$/sh)	(0.005)	(0.006)	(0.021)	(0.046)	0.453
CFPS before w/c (US\$/sh)	(0.02)	(0.02)	(0.02)	(0.05)	0.29
FCFPS pre growth (US\$/sh)	(0.02)	(0.02)	(0.02)	(1.16)	(0.18)
FCF/sh (US\$/sh)	(0.02)	(0.02)	(0.02)	(1.16)	(0.18)
FCF per oz (US\$/sh)	-	-	-	-	(431)
FCF yield - pre growth (%)	(3%)	(4%)	(4%)	(201%)	(32%)
FCF yield (%)	(3%)	(4%)	(4%)	(201%)	(32%)
EBITDA margin (%)	-	-	-	-	56%
FCF margin (%)	-	-	-	-	(12%)
ROA (%)	(9%)	(13%)	(2%)	(3%)	18%
ROE (%)	(11%)	(16%)	(2%)	(5%)	32%
ROCE (%)	(11%)	(16%)	(2%)	(1%)	28%
EV (C\$m)	70	72	(67)	217	301
PER (x)	(167.9)	(130.8)	(37.9)	(17.1)	1.7x
P/CF (x)	(52.6)	(32.7)	(37.9)	(17.1)	1.9x
EV/EBITDA (x)	(32.9x)	(28.9x)	13.4x	(43.4x)	1.5x
Income statement (100%)	CY25E	CY26E	CY27E	CY28E	CY29E
Revenue (US\$m)	--	--	--	--	358
COGS (US\$m)	--	--	--	--	(149)
Gross profit (US\$m)	--	--	--	--	210
G&A & central	(2)	(3)	(5)	(5)	(8)
Depreciation	(0)	--	--	--	(37)
Impairment & other (US\$m)	0	--	--	--	--
Net finance costs (US\$m)	--	--	--	(6)	(14)
Tax (US\$m)	--	--	--	--	(43)
Minority interest (US\$m)	--	--	--	--	--
Net income (US\$m)	(2)	(3)	(5)	(11)	109
EBITDA	(2)	(3)	(5)	(5)	202
Cash flow (100%)	CY25E	CY26E	CY27E	CY28E	CY29E
Profit/(loss) after tax (US\$m)	--	(3)	(5)	(17)	91
Add non-cash items (US\$m)	(2)	--	--	6	9
Less wkg cap / other (US\$m)	--	--	--	--	(31)
Cash flow ops (US\$m)	(2)	(3)	(5)	(11)	69
PP&E (US\$m)	(0)	--	--	(267)	(144)
Other (US\$m)	--	--	--	--	--
Cash flow inv. (US\$m)	0	--	--	(267)	(144)
Debt draw (repayment) (US\$m)	0	--	--	160	80
Equity issuance (US\$m)	6	--	252	--	--
Other (US\$m)	(0)	--	--	--	--
Cash flow fin. (US\$m)	6	--	252	160	80
Net change post forex (US\$m)	5	(3)	247	(118)	5
FCF (US\$m)	(2)	(3)	(5)	(278)	(44)
Balance sheet (100%)	CY25E	CY26E	CY27E	CY28E	CY29E
Cash (US\$m)	12	9	256	139	144
Accounts receivable (US\$m)	0	0	0	0	27
Inventories (US\$m)	0	0	0	0	24
PPE & exploration (US\$m)	0	0	0	267	411
Other (US\$m)	9	9	9	9	9
Total assets (US\$m)	22	19	266	415	616
Debt (US\$m)	--	--	--	166	256
Other liabilities (US\$m)	4	4	4	4	24
Shareholders equity (US\$m)	37	37	289	289	289
Retained earnings (US\$m)	(19)	(21)	(26)	(44)	47
Minority int. & other (US\$m)	0	0	0	0	0
Liabilities+equity (US\$m)	22	19	266	415	616
Net Cash	12	9	256	(27)	(111)
Net Debt to NTM EBITDA (x)	4.8x	1.9x	51.3x	0.1x	0.3x

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Summary of Recommendations as of May 2026	
BUY:	60
HOLD:	0
SELL:	0
UNDER REVIEW:	0
TENDER:	1
NOT RATED:	0
TOTAL	61

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