

Turaco Gold Limited

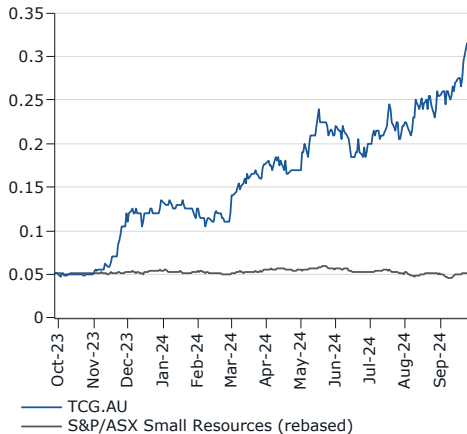
Precious Metals - Developer/Explorer

Paul Howard | Analyst | Canaccord Genuity (Australia) Ltd. | phoward@cgf.com | +61.8.9263.1155
Reg Spencer | Analyst | Canaccord Genuity (Australia) Ltd. | rspencer@cgf.com | +61.2.9263.2701

Rating SPECULATIVE BUY	Price Target A\$0.65
TCG-ASX	Price A\$0.34

Market Data

52-Week Range (A\$) :	0.05 - 0.34
Avg Daily Vol (000s) :	1
Market Cap (A\$M) :	251.5
Shares Out. (M) :	750.7
Enterprise Value (A\$M) :	233.3
Cash (A\$M) :	18.2
Long-Term Debt (A\$) :	0.0
NAV /Shr (A\$) :	0.65
NAV /Shr (5%) (A\$) :	0.93
Net Cash (A\$M) :	18.2
P/NAV (x) (A\$) :	0.52



Turaco takes flight

Initiating coverage with a SPEC BUY rating and price target of \$0.65 (P/NAV 0.52x).

Turaco Gold Limited (TCG-ASX) is focussed on the flagship Afema Gold Project located in southeastern Côte d'Ivoire, 120km east of the capital Abidjan. TCG is earning 70% having acquired the project from Endeavour Mining (EDV-TSX) in April 2024. The company recently released a maiden JORC resource that totals 2.5Moz @ 1.2g/t Au across three deposits. This should be viewed as a starting point given the large expanse of underexplored, prospective tenure, in our view.

Ghanaian prospectivity with the added benefit of an Ivorian mining code: Geologically, the rocks within the Afema Gold Project are more similar to those seen across the border in Ghana. These Birimian shears (Afema Shear and Nianemlessa-Affienou Shear) strike southwest from Ghana into TCG's tenure in Côte d'Ivoire, and are extensions of the Sefwi-Bibiani Belt (hosting Bibiani; 6.5Moz and Chirano; 5.5Moz) and Asankragwa Belt (hosting Obotan; 6Moz and Essase; 6Moz), respectively. The current resources at Afema are situated within a granted Mining Permit, and are adjacent to a major 50MW hydropower scheme with HV transmission lines believed to cross the project area.

Initial resource already outlines a compelling future mine: Our valuation of TCG is based on a hypothetical mining scenario for Afema. Our assumed production scenario is based on the 38.5Mt @ 1.2g/t Au for 1.51Moz Indicated Resource recently defined. Given drilling is ongoing and uncovering ounces outside the resource, this should be viewed as an initial base case scenario, but highlights the significant value already present in TCG today, in our view.

We model a 10-year open-pit mining operation at Afema, fed by the three deposits currently in resource. Woulo Woulo provides ~2.8-3Mtpa of foundation base feed over the LOM with Jonction augmenting Woulo Woulo for the first five years and Anuri providing additional feed for the last five years of our modelled "mine plan". LOM production averages 130kozpa with 169kozpa averaged in the first five years of operations. AISC average US\$1,250/oz with upfront capital of US\$300m assumed for a 4Mtpa plant. Strip ratios average 4.0:1 over LOM with recoveries modelled at 85% owing to the clean, free milling ore at Woulo Woulo blended with the sulphide ores from Jonction and Anuri. And this is before we even consider underground potential and exploration success on adjacent shears.

Strong exploration upside: TCG has continued to drill at Woulo Woulo following release of its maiden resource. Results point to growth beyond the current resource outline at depth. Drilling is now shifting to exciting regional targets that may flow into resource updates in 2025. One such target is the southern portion of the 20km anomalous Nianemlessa Shear, which is untested by drilling and has the highest and most consistent gold-in-soil response in the project area.

Experienced team: Management has a strong track record of progressing projects, in our view, typically through M&A as seen with Renaissance Minerals' Okvau Mine, now owned by EMR-ASX; and Exore Resources' Bagoe (Antoinette) projects acquired by PRU-ASX for ~A\$80m in 2020.

Valuation and recommendation: We initiate coverage of TCG with a SPEC BUY rating and price target of \$0.65. We use 1x forward curve and NPV10% applied to a potential development scenario and DCF for the Afema Gold Project. Our valuation is risked to 75% and is preliminary in nature and should be viewed as a what-if case given no formal mining studies have been published. It should also be viewed as an initial base case given a maiden JORC resource has recently been published and exploration is ongoing. At spot, our valuation is \$0.60. Our unrisks NAV is \$0.80 and \$0.75 at spot.

Priced as of close of business 26 September 2024

Turaco Gold is focussed on the flagship Afema Gold Project (earning 70%), located in southeastern Côte d'Ivoire, 120km east of the capital Abidjan. The company recently released a maiden JORC resource that totals 2.5Moz @ 1.2g/t Au across three deposits. This should be viewed as a starting point given the large expanse of underexplored, prospective tenure, in our view.

Contents

Overview	3
Forecasts and valuation.....	4
Peer analysis – key charts	7
Investment risks	9
Côte d’Ivoire overview	10
Corporate and finance.....	12
Asset overview: Afema Gold Project, Côte d’Ivoire	13
Asset overview: Eburnea Gold Project, Côte d’Ivoire.....	21
Asset overview: Tongon North Gold Project, Côte d’Ivoire.....	23
Board and management	24
Financial summary	25

Overview

Turaco Gold Limited (TCG-ASX) is a West African focused explorer/developer growing the Afema Gold Project located in southeastern Côte d'Ivoire, 120km east of the capital Abidjan. The project was acquired from Endeavour Mining (EDV-TSX) in April 2024, with TCG's work still in its infancy; yet the resources sit on a granted Mining Permit. The Mining Permit covers an area of 227km² and has been subject to past exploration and drilling. The Mining Permit was granted in December 2013 and is valid until December 2033, with a 20-year renewal option thereafter.

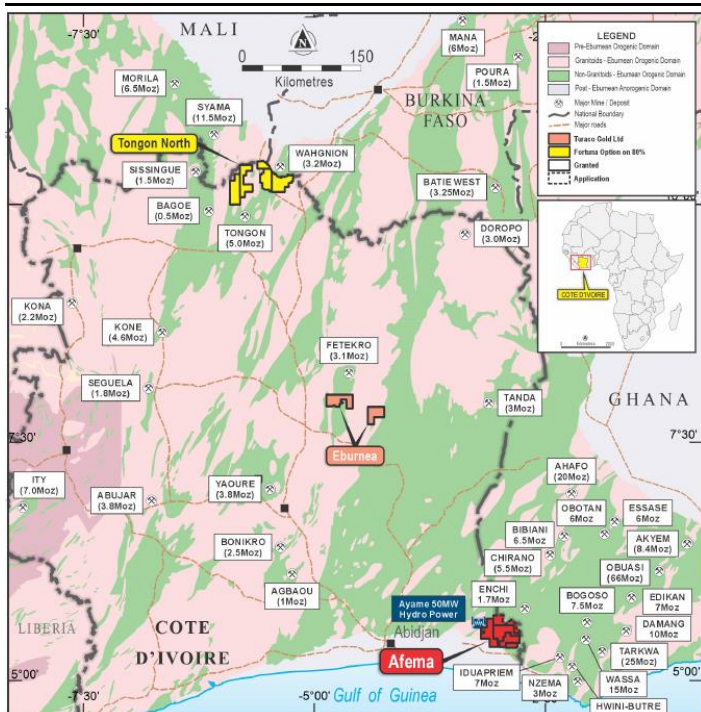
TCG currently holds a 51% interest, which it acquired from Endeavour for US\$1.5m cash plus 46.5m TCG shares (issued at \$0.05 for A\$2.3m). Sodim Ltd, an Israeli private investment company, currently owns the other 49% of Afema. TCG can acquire a 65% interest through delivery of a PFS on a resource >2Moz within 30-months plus a US\$2.5m cash payment; and can increase to 70% within the proceeding 12-months by making a US\$3.75m cash payment to Sodim. There are various milestone and deferred payments totalling ~A\$10m due over the next two years as outlined below.

We have not visited the site.

Previously Manas Resources (MSR-ASX) with interests in the Kyrgyz Republic and Tanzania, the company arrived in Côte d'Ivoire in early 2018, acquiring the Gonsan and Bouaké Nord Gold Projects. TCG still has interests in Bouaké today. Current Managing Director, Justin Tremain, joined Manas in late 2020 with Manas rebranding to Turaco Gold in mid-2021. The company proceeded to explore various projects and JVs in Côte d'Ivoire throughout 2021, 2022 and 2023 before announcing the acquisition of Afema in November 2023 and closing the deal in April 2024. The company has also since cleaned up its ancillary project ownership to hold interests in Tongon North and Eburnea (Bouake North) as well as Afema today.

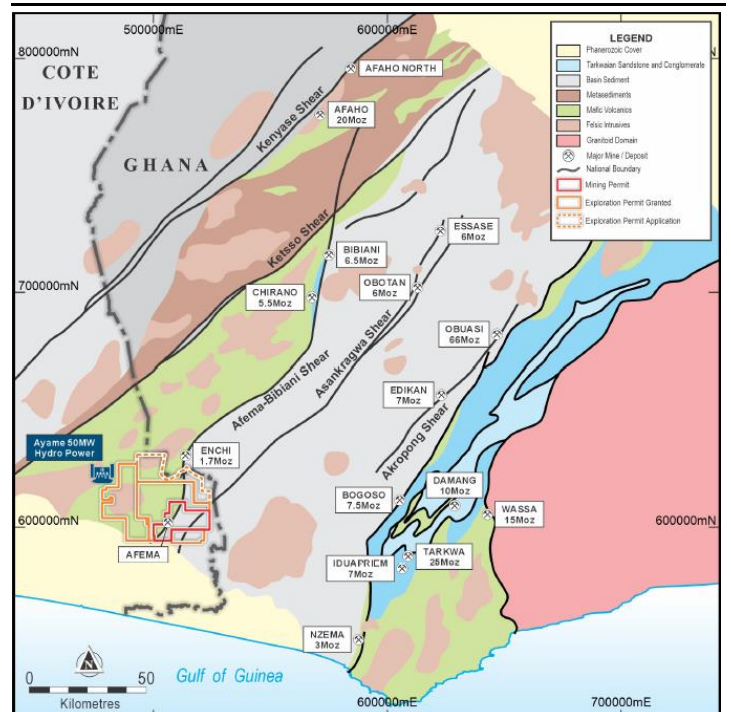
TCG reported cash of A\$18.2m on 30 June 2024 with no outstanding debt.

Figure 1: Project locations within Côte d'Ivoire



Source: Company reports

Figure 2: The Afema Gold Project location on large regional shears



Source: Company reports

Forecasts and valuation

Afema

Our valuation of TCG is based on an NPV10% applied to a hypothetical mining scenario and DCF for Afema. Our assumed production scenario (Figure 3) is based on the 38.5Mt @ 1.2g/t Au for 1.5Moz Indicated Resource recently defined by TCG over Afema. Given drilling is ongoing and uncovering ounces outside the resource, this should be viewed as an initial base case scenario, but highlights the significant value already present in TCG today, in our view.

We model a 10-year open-pit mining operation at Afema, fed by the three deposits currently in resource. Woulo Woulo provides ~2.8-3Mtpa of foundation base feed over the LOM with Jonction augmenting Woulo Woulo for the first five years at a 1Mtpa rate and Anuri providing additional feed for the last five years of our modelled 'mine plan' at a rate of 1.2Mtpa. Given the presence of high-grades close to surface, we have employed a stockpiling strategy whereby higher grades are fed through the 4Mtpa plant in initial years and taper off towards the backend of the mine plan to average 1.2g/t Au of the life of mine. LOM production averages 130kozpa with 169kozpa averaged in the first five years of operations. AISC average US\$1,250/oz with upfront capital of US\$300m assumed. Strip ratios average 4.0:1 over LOM with recoveries modelled at 85% owing to the clean, free milling ore at Woulo Woulo blended with the sulphide ores from Jonction and Anuri. And this is before we even consider underground potential and exploration success on adjacent shears.

Figure 3: CGe Afema assumptions

Afema assumptions	CGe Base - Sept'24
Total inventory (Moz)	38.5Mt @ 1.2g/t Au
	1.5
LOM (years)	10
Upfront Capex (US\$m)	300
OP Ore mined (Mt)	38.5
Strip ratio (ex-pre-strip)	4.0
UG Ore Mined (Mt)	0
Ore processed (Mtpa)	4.0
Avg head grade (g/t Au)	1.2
Recoveries	85%
Generated Stockpiles (Mt)	0
Au production (kozpa)	130
Au production (LOM)	1,309
Sustaining capex (US\$m/tpa)	4.0
Royalty	6.0%
Cash costs (US\$/oz)	\$1,161
LOM AISC (US\$/oz)	\$1,250
LOM Gold price (US\$/oz)	\$2,705

Source: Canaccord Genuity estimates

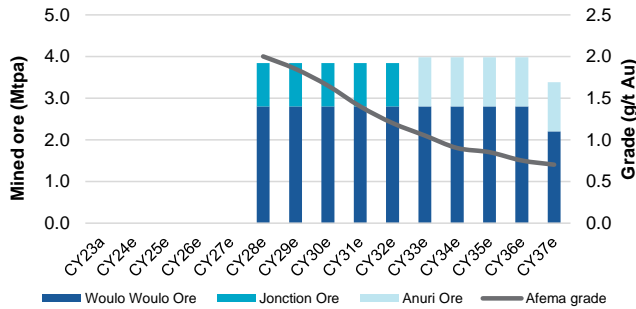
Figure 4: CGe production and development timeline for TCG

	CY24		CY25		CY26		CY27		CY28	
	H2	H1	H2	H1	H2	H1	H2	H1	H2	
Afema	Near Mine Exploration									
	Resource update									
	Met & geotech									
	PFS									
	Permitting									
	DFS									
	Financing									
	Construction									
	First Gold & Ramp Up									
	Production									

Source: Canaccord Genuity estimates

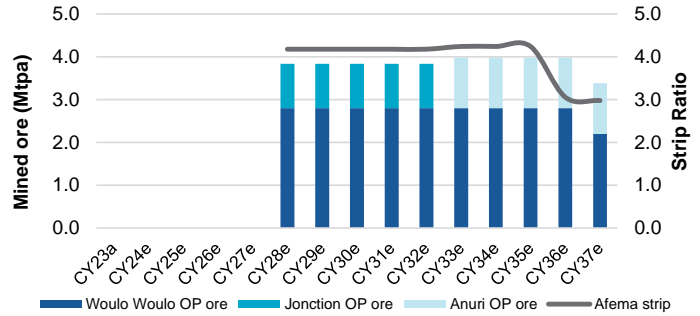
Our key production physicals and financial metrics are illustrated in Figure 5 to Figure 10. We forecast average FCF ~A\$165m and EBITDA of ~A\$218m over the first five years of mine life from 2028 and expect exploration success to backfill the latter five years (but not yet modelled).

Figure 5: Afema ore mined by deposit & gold grade



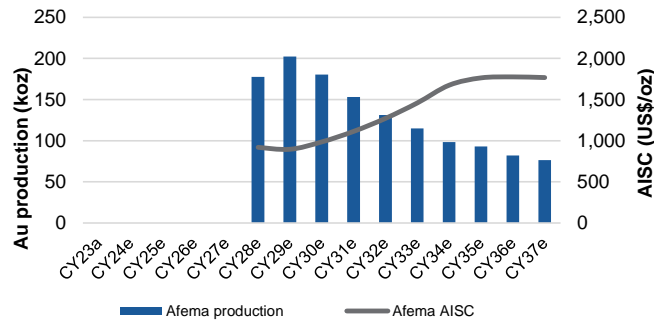
Source: Canaccord Genuity estimates

Figure 6: Afema ore mined & strip ratio



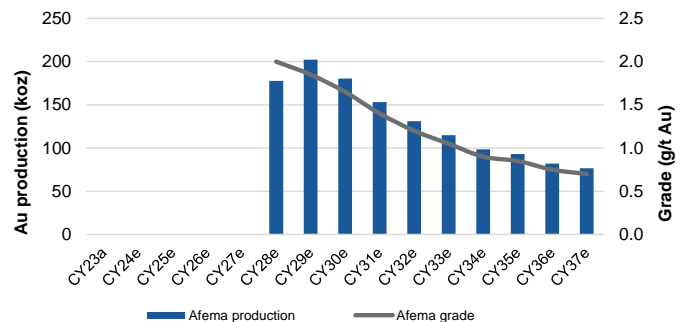
Source: Canaccord Genuity estimates

Figure 7: Gold production & AISC



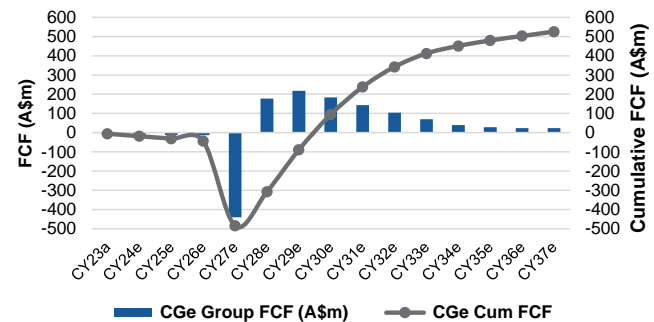
Source: Canaccord Genuity estimates

Figure 8: Gold production & grade



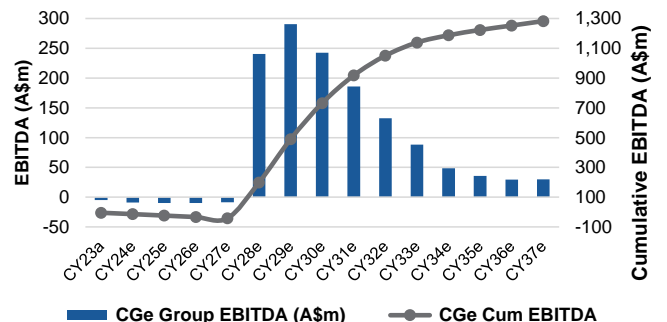
Source: Canaccord Genuity estimates

Figure 9: Group FCF and cumulative FCF



Source: Canaccord Genuity estimates

Figure 10: Group EBITDA and cumulative EBITDA



Source: Canaccord Genuity estimates

Net asset valuation

We estimate a valuation for TCG of \$0.65 per share which includes a nominal value for exploration and regional exploration opportunities around Afema, and this is net of corporate costs/net debt. Given the early stage of development, with no mining studies, our Afema model uses a 10% discount rate. Our model risked to 75% to account for the early-stage nature of the project, i.e. maiden JORC resource only released last month. Our model is unfunded and only assumes future equity issuance to fund exploration. Our valuation assumes a 70% ownership of Afema by TCG and includes milestone payments to get to 70% over the next 24 months. We have not yet considered a scenario whereby TCG acquires 100% of Afema.

Figure 11: CGe NAVPS valuation

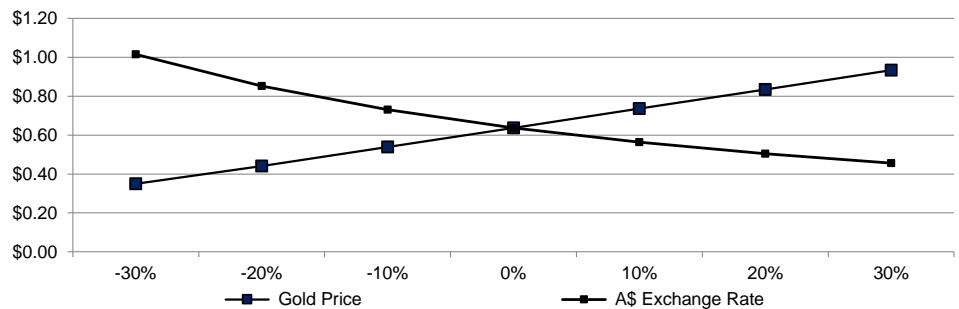
	A\$m	RISK ADJ.	EQUITY	A\$m	Diluted/share
Afema	830	75%	70%	436	\$0.52
Exploration & Projects	83	100%	100%	83	\$0.10
Corporate	-14			-14	\$0.02
Investments	0			0	\$0.00
Forwards	0			0	\$0.00
Net Cash & Bullion as at 30-Jun-24	18			18	\$0.02
ITM Options	1			1	\$0.00
Assumed New equity	20			20	\$0.02
TOTAL	939			544	A\$0.65
				NAV (Rounded)	A\$0.65
				P/NAV	0.52x

Source: Canaccord Genuity estimates

Sensitivity analysis

We show our NAV estimates under various gold price and FX scenarios below in Figure 12. For every +10% change in the USD gold price, our price target would change by ~14%, which highlights the strong valuation leverage.

Figure 12: NAV sensitivity – gold price, FX



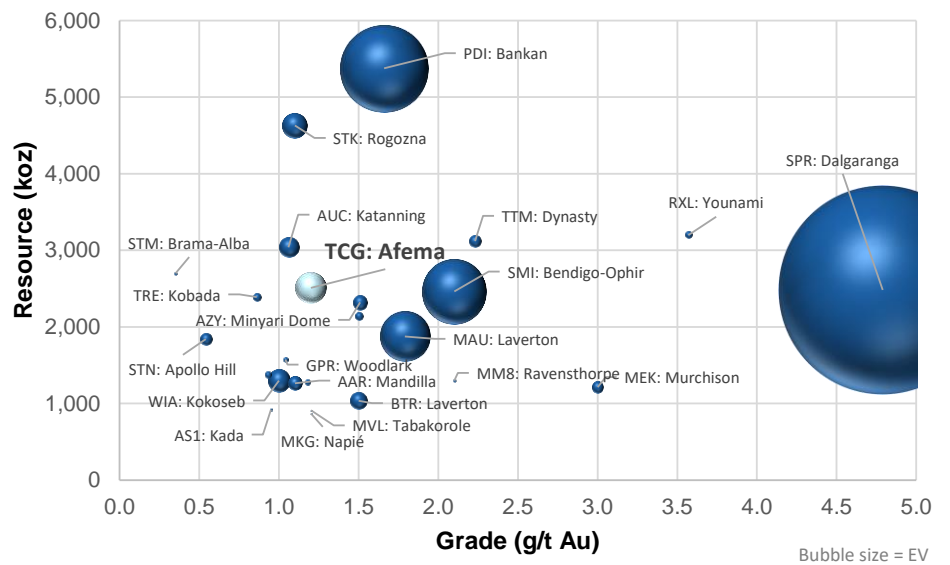
Source: Canaccord Genuity estimates

Peer analysis – key charts

There are very few West African focussed explorer/developers remaining on the ASX, given recent M&A activity, highlighting TCG’s potential appeal. We have shown TCG in relation to a selection of ASX peers in Figure 13 and Figure 14 below, and note the company’s infancy in exploring its ground, i.e. only completed the acquisition in April 2024. The EV/Resource chart highlights the quality of TCG, sitting alongside peers such as SMI, PDI and WIA.

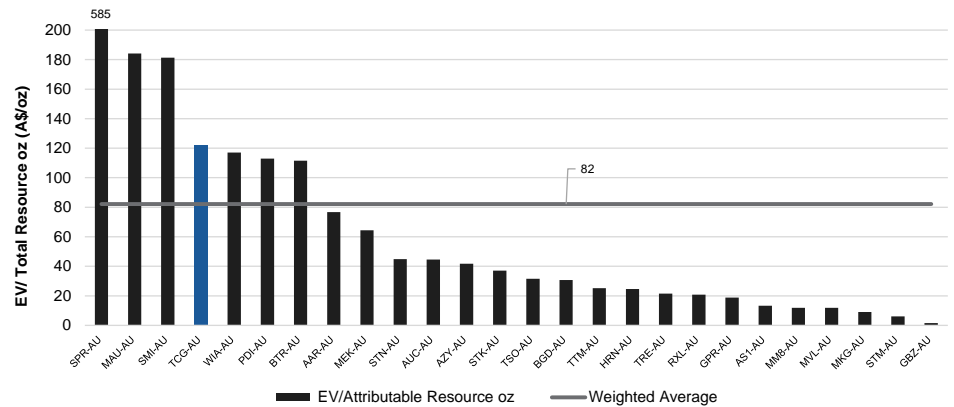
While perhaps premature, Figure 15 shows our modelled development scenario for TCG alongside the top African development assets i.e. those with >150kozpa planned production. This best serves as a benchmark for TCG to aim for over time.

Figure 13: Resource ounces and grade of ASX explorer/developer peers



Source: Canaccord Genuity estimates

Figure 14: EV/Resource for a selection of ASX explorer/developer peers



Source: Canaccord Genuity estimates

Figure 15: West African development projects with production >150kozpa plus TCG's Afema

Company	Loncor LN-TSX	Shandong 600547-SHSE	Newmont NEM-US	Predictive Discovery PDI-ASX	Allied AAUC-TSX	Perseus PRU-ASX	West African WAF-ASX	Montage MAU-TSXV	Endeavour EDV-TSX	Centamin CEY-LSE	Pasofino VEIN-TSXV	Perseus PRU-ASX	Osino/Yintal OSI-TSX/000975-SHE	Endeavour EDV-TSX	Turaco TCG-ASX	Average
Project	Imbo	Namdini	Ahafo North	Bankan	Kurmuk	Nyanzaga	Kiaka	Kone	Lafigue	Doropo	Dugbe 1	Meyas Sand	Twin Hills	Kalana	Afema	
Location	DRC	Ghana	Ghana	Guinea	Ethiopia	Tanzania	Burkina Faso	Côte d'Ivoire	Côte d'Ivoire	Côte d'Ivoire	Liberia	Sudan	Namibia	Mali	Côte d'Ivoire	
Current Status	PEA	Construction	Construction	PFS	Construction	FS	Construction	FID	Construction	PFS	FS	FS	Takeover	PFS	CGE	
Ownership (%)	85%	100%	100%	85%	93%	84%	90%	90%	80%	90%	90%	70%	100%	80%	70%	87%
Year of Source Data	2021	2019	2024	2024	2022	2022	2024	2024	2022	2023	2022	2020	2022	2021	2024	2022
Multi-asset producer?	No	Yes	Yes	No	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes	No	2022
Resource (Moz)	3.97	6.99	5.12	5.38	3.43	3.07	7.90	5.27	3.10	3.40	3.90	4.05	3.07	2.56	2.51	4.25
Grade (g/t Au)	2.44	1.12	2.15	1.66	1.67	4.03	0.90	0.62	2.04	1.26	1.35	1.28	1.08	1.58	1.21	1.63
Reserve (Moz)	3.12	5.10	3.82	3.05	2.74	2.60	4.80	4.01	2.70	1.90	2.76	2.90	2.15	1.83	1.83	3.11
Grade (g/t Au)	2.17	1.13	2.37	1.64	1.41	2.02	0.90	0.72	1.69	1.44	1.30	1.11	1.04	1.60	1.60	1.47
Throughput (Mtpa)	4.8	9.5	3.4	5.5	5.6	4.0	8.4	11.0	4.0	4.0	5.0	6.0	5.0	3.2	4.0	5.6
Mine Life (Years)	10.3	15.0	13.0	12.0	10.0	10.7	20.0	16.0	12.8	10.0	14.0	13.6	13.0	11.0	10.0	12.8
Annual Production (ktpa)	303	287	275	269	240	234	234	223	203	173	172	167	152	150	130	214
AISC (US\$/oz)	950	895	850	1132	950	954	1196	998	871	1017	1005	751	939	901	1250	977
Preproduction Capex (US\$m)	530	390	1000	456	500	474	565	712	448	349	435	321	375	297	300	477
Asset AISC Margin pa (Spot)	514	503	494	407	407	396	339	367	360	282	282	316	259	262	181	358
Capital Intensity (US\$/t mill cap)	110	41	294	83	90	119	67	65	112	87	87	54	75	93	75	97

Annual Production

Source: Company reports, Canaccord Genuity

Investment risks

Orebody risks

The CG development scenario for TCG centres around defining a minable reserve at Afema. There is no guarantee that this eventuates and this presents risk to our valuation.

Geopolitical risks

TCG's key asset is located in Côte d'Ivoire, which is considered an emerging market. As such, TCG, through the Afema Gold Project, carries a higher degree of economic, political, social, legal and legislative risk.

Financing risks

As a pre-production company with no material income, TCG is reliant on equity and debt markets to fund development of its assets and progression of its regional exploration pipeline. Total development and working capital requirements are subject to completion of feasibility studies. There are no guarantees that studies will result in a positive investment decision for the Afema Gold Project. Further, we can make no assurances that accessing these markets will be done without further dilution to shareholders.

Exploration risks

Exploration is subject to a number of risks and can require a high rate of capital expenditure. Risks can also be associated with conversion of inferred resources and lack of accuracy in the interpretation of geochemical, geophysical, drilling and other data. No assurances can be given that exploration will delineate further Mineral Resources nor that the company will be able to convert the current Mineral Resources into Ore Reserves.

Operating risks

If and when in production, the company will be subject to risks such as plant/equipment breakdowns, metallurgical (meeting design recoveries within a complex flowsheet), materials handling and other technical issues. An increase in operating costs could reduce the profitability and free cash generation from the operating assets considerably and negatively impact valuation. Further, the actual characteristics of an ore deposit may differ significantly from initial interpretations, which can also materially impact forecast production from original expectations.

Commodity price and currency fluctuations

As with any mining company, TCG is directly exposed to commodity price and currency fluctuations. Commodity price fluctuations are driven by many macroeconomic forces including inflationary pressures, interest rates and supply and demand factors. These factors could reduce the profitability, costing and prospective outlook for the business.

Côte d'Ivoire overview

Figure 16: Côte d'Ivoire map



Source: BBC

Location:	West Africa; bordered by Liberia and Guinea to the west, Mali and Burkina Faso to the north and Ghana to the east.
Capital:	Yamoussoukro (de facto capital) Abidjan (administrative capital)
Area:	322,463km ²
Population:	28.2m (2022)
Official language:	French
Government:	Republic (social democratic)
Religion:	Islam (43%) Christianity (40%)

Côte d'Ivoire (Ivory Coast) is located in West Africa and is boarded by Liberia, Guinea, Mali, Burkina Faso and Ghana.

The topography is flat lying with a tropical wet and dry/savannah climate. There is approximately 1,200mmpa of rainfall mostly between April and September. The company believes that despite the wet season it can drill 12 months a year with the appropriate preparations.

Côte d'Ivoire has had a stable government for some time, with President Alassane Ouattara serving since December 2010.

Mining in Côte d'Ivoire

Côte d'Ivoire contains around 35% of the fertile Birimian Greenstone Belt with a number of commercial scale operating gold mines in the country including Endeavour's Ity and Lafigue gold mines; Barrick's Tongon gold mine in northern Côte d'Ivoire; Allied Gold Corp's Bonikro Mine; Perseus Mining's Sissingue and Yaouré mines, Fortuna's Seguela Mine, Zhaojin's Abujar Mine (formerly Tietto), as well as Endeavour's Tanda, Montage's Koné and Centamin's Doropo development assets.

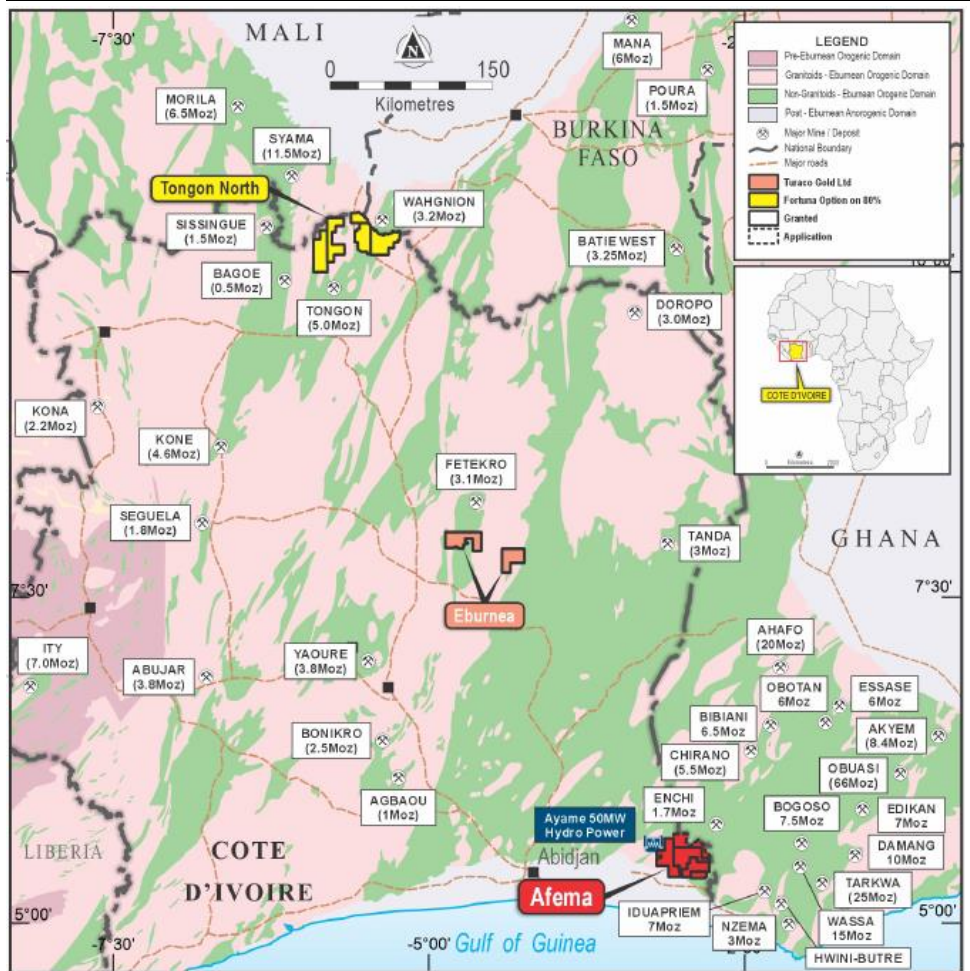
Government mining regulation

The government is entitled to a 10% free carry in all developed projects, with a corporate tax rate of 25%. In March 2014, the Ivorian parliament adopted a new mining code aimed at increasing foreign investment. Application for a mining permit requires completion of a feasibility study, including an environmental impact assessment plan and a socio-economic impact assessment plan. The mining permit is granted for a maximum of 20 years, renewable for 10-year periods thereafter. The code allows suspension of operations for up to three years in case of unfavourable market conditions. Mining permits require grant of a 10% free carried Government interest. In addition, the Government may acquire up to 15% of the shares of the project company, at market price and subject to negotiation between the parties.

A mining convention must be entered into within 60 business days of the grant of a mining permit. Tax stability, according to terms set out in the mining convention, is guaranteed. To compete with more established mining industries in Burkina Faso and Ghana, Côte d'Ivoire gives miners VAT relief for imported goods. Consultation with local communities and contribution to a local development fund are required. Priority and training must be given to Ivorian suppliers. An environmental fund must also be established.

Mining royalty rates are based on a sliding scale depending on the spot gold price. We model 6% royalty on revenue from a future Afema operation.

Figure 17: Côte d'Ivoire major mines and deposits



Source: Company reports

Figure 18: Key government fiscal terms across selected countries

Key fiscal terms	Burkina Faso	Côte d'Ivoire	Tanzania	Guinea	Mali	Ghana
Government FCI	10-15%	10%	16%	15%	10-35%	10%
Royalty	4-7%	3-6%	7%	6%	3%	5%
Corporate tax	27.5%	25%	30%	30%	25%	35%

Source: Company reports, Canaccord Genuity

Corporate and finance

Balance sheet and liquidity

TCG reported a cash of A\$18.2m as at 30 June 2024 and has no drawn debt.

Capital structure

TCG has 750.7m ordinary shares on issue and 39.19m options and performance rights.

Figure 19: TCG capital structure

			Price	Expiry	ITM	ITM Value (\$m)
Issued Shares	m	750.70	\$0.32			
TCGAE: Options	m	3.60	0.12	17/07/2026	3.60	0.43
TCGAA: Options	m	3.00	0.23	31/12/2026	3.00	0.68
TCGAC: Performance Rights	m	32.59			32.59	0.00
<i>Total Options</i>	<i>m</i>	<i>39.19</i>	<i>0.00</i>		<i>39.19</i>	<i>\$ 1.11</i>
Fully Diluted	m	790				
Market Capitalisation	A\$m	236				
Market Capitalisation (Fully diluted)	A\$m	249				

Source: FactSet, company reports

Substantial shareholders

Stemming from the acquisition of Afema, Endeavour Mining owns ~6% of TCG. There are no other substantial holders. Collectively, the Board of Directors owns ~6.2%.

Directors and key management

See [Board and management](#) section for detailed bios.

- Justin Tremain, Managing Director
- John Fitzgerald, Non-Executive Chairman
- Alan Campbell, Non-Executive Director
- Bruce Mowatt, Non-Executive Director

Asset overview: Afema Gold Project, Côte d'Ivoire

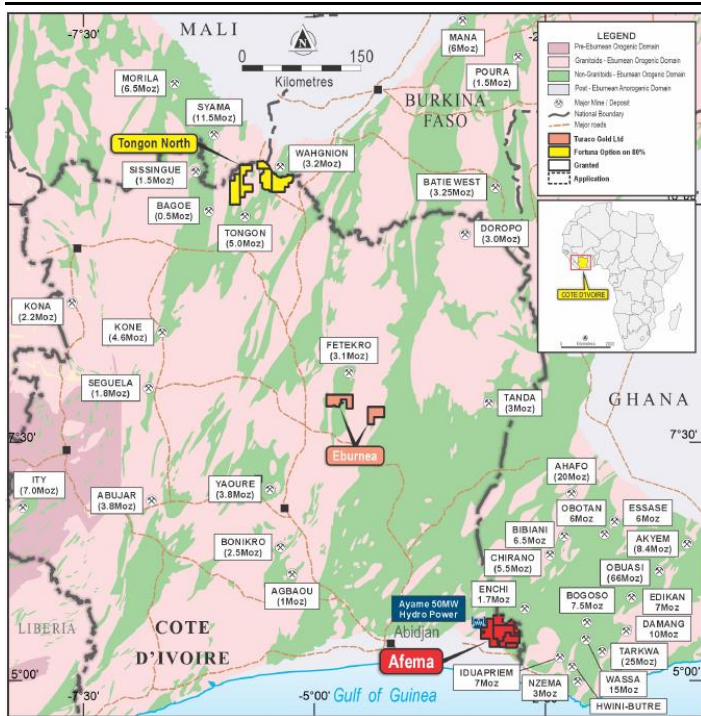
Location, access and infrastructure

The Afema Project is located in southeastern Côte d'Ivoire close to the Ghanaian border and 120km east of Abidjan. The project is serviced by a recently bituminised major highway connecting Abidjan to Ghana.

Two of Côte d'Ivoire's major hydro-power schemes are located on the northwestern boundary of the Afema Project area.

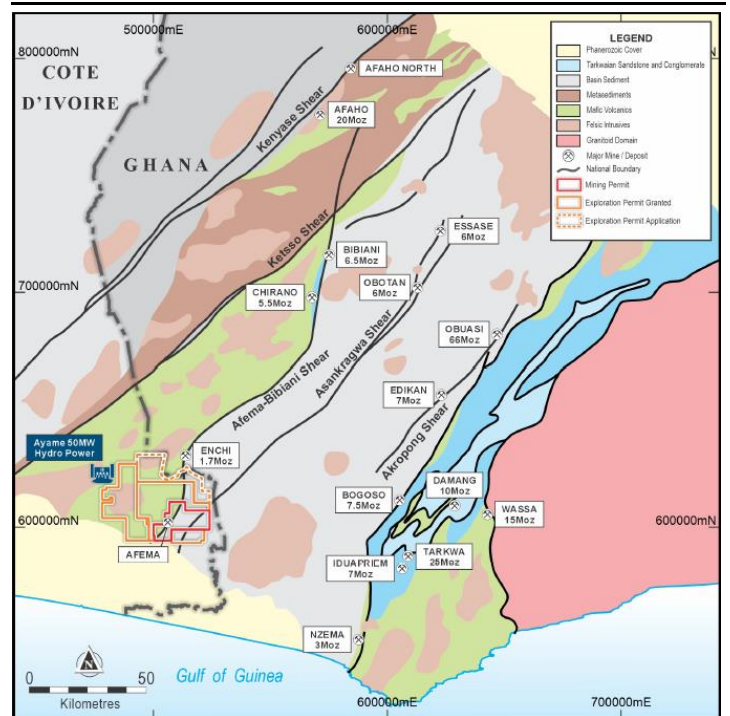
Much of the Afema Project is located on a granted mining permit supported by a Mining Convention between Afema Gold SA (permit holding entity) and the State of Côte d'Ivoire. The granted mining permit covers an area of 227km² and was granted in December 2013. It is valid until December 2033, with a 20-year renewal option thereafter. In addition, TCG was recently granted three contiguous exploration permits covering a combined area of 812km². This yields a total granted Afema Project area of 1,040km². Furthermore, an exploration permit application is also lodged and covers an additional 228km² providing a total Afema Project area of 1,267km².

Figure 20: Afema Project location in southeastern Côte d'Ivoire



Source: Company reports

Figure 21: The Afema Gold Project location close to the Ghanaian border



Source: Company reports

Project history

Historic small-scale mining along the Afema Shear occurred in the 1990s, producing ~125koz Au via heap leaching before operations ceased in 1998, coinciding with a gold price of ~US\$300/oz. Since then, extensive drilling has uncovered gold mineralisation along the +25km Afema Shear within the Mining Permit area. The most significant recent activity was by Teranga Gold Corporation, which entered a joint venture with Sodim in 2018. After Teranga's acquisition by Endeavour in February 2021, no further drilling has occurred.

Teranga focused primarily on the Woulo Woulo area, where initial drilling led to a major discovery, prompting resource definition drilling. Overall, Teranga completed 39,000m of diamond drilling across 283 holes and 20,300m of reverse circulation (RC) drilling across 347 holes. Additionally, Teranga collected 23,200 soil samples from the Exploration Permit Application area, identifying several high-tenor coherent anomalies that remain untested. Before Teranga's involvement, Taurus Gold Ltd conducted 78,500m of drilling (combined RC and diamond drilling across 1,200 holes) along the Afema Shear, averaging 65m.

Project acquisition by TCG

TCG announced the acquisition of Afema in November 2023 and closed the deal in April 2024. TCG entered into various agreements with Endeavour Mining and Sodim Ltd, an Israeli private investment group, to acquire an initial 51% of the Afema Gold Project, with the right to increase to 70% ownership. Sodim remains the minority owner with 49% today and can decrease to 30% through various milestones.

Endeavour agreement

TCG acquired Endeavour's 51% stake in Afema for:

- a US\$1.5m upfront cash payment;
- 46.5m TCG shares (issued at \$0.05 in April 2024); and
- a US\$650k deferred cash payment is to be paid within 12 months of the acquisition.

Sodim agreement

TCG entered into a number of agreements with Sodim, including a Transaction and Subscription Deed, Deed of Acknowledgement and Shareholder Deeds.

Consideration payable to Sodim comprises:

- a US\$380k payment within 12 months of TCG acquiring the 51% stake from Endeavour. This payment is to be made, at Sodim's election, in cash or TCG shares;
- if TCG completes a PFS based on a JORC Resource of at least 2Moz within the Mining Permit, within 30 months, TCG may increase its interest to 65% by making a cash payment of US\$2.5m; and
- upon increasing its interest to 65%, TCG will have a 12-month option to further increase its interest to 70% by making a cash payment of US\$3.75m.

Milestone payments

TCG is required to make a milestone payment of US\$1.5m upon declaring a JORC Mineral Resource estimate of at least 1.0Moz at a grade of >1.2g/t Au from within the area of the [Exploration Permit Applications](#) (note that the recent maiden JORC resource is on the Mining Permit). This payment may be made, at Sodim's election, in cash or TCG shares.

Other terms

- TCG is to sole fund expenditure until a 'development decision', including the funding of a minimum of US\$4m of exploration within the Exploration Permit Application area within three years of their grant.
- Sodim's investment to date of approximately US\$24m in past project expenditure will be repayable from its share of project cash flow from the Mining Permit only.
- Upon a development decision, Sodim may either contribute to the development cost or convert its interest to a 2.0% NSR. TCG will hold a pre-emptive right over the NSR.
- A 0.9% net smelter royalty currently exists on the Mining Permit payable to Sodemi, the state-owned mining company.

Geology and mineralisation

Regional geology

The Afema Project covers the extensions and confluence of the Paleoproterozoic Sefwi-Bibiani (Ahafo, Bibiani, Chirano deposits) and the Asankrangwa (Essase, Obotan deposits) Gold Belts from Ghana into southeastern. The Junction and Anuri deposits are hosted within the Afema Shear domain, a ~1km wide zone of shearing marking the boundary between the volcanic dominated Sefwi greenstone belt and the shale dominated Kumasi basin. This shear domain includes horizons of Tarkwaian-style conglomerate and arkose which hosts the Junction and Anuri deposits. The Woulo Woulo deposit lies inboard of the Sefwi greenstone belt.

Local geology

Woulo Woulo is situated in a north-trending zone associated with the Afema Shear, featuring a wall rock of fine-grained volcanogenic sandstone and dolerite. Mineralisation occurs mainly in a strongly altered rhyolite and volcanic conglomerate, characterised by pervasive silica-albite-Fe-carbonate-sericite alteration and quartz veinlets, suggesting a favourable environment for fracture-controlled mineralization.

Junction is found within a sandstone sequence of the Tarkwaian Group, similar to the Sefwi belt's Chirano area, marking significant structural breaks between greenstone belts and basin sediments. Its hanging wall includes a shale horizon linked to the Kumasi basin, with intense silicification and notable shearing.

Anuri lies within Tarkwaian correlate rocks of interbedded conglomerate, sandstone, and minor shale, with mafic volcanics in the footwall. While the hanging wall remains unverified in drilling, it is presumed to be fine-grained shale, with extensive shearing and alteration observed throughout the rock horizon.

Mineralisation

Mineralisation at Woulo Woulo features intense green to cream alteration in the host rhyolite, marked by a strong sericite overprint on cream albite-sericite alteration. This is accompanied by centimetre-scale milky quartz veinlets with iron-carbonate borders, although thicker quartz veins near the hanging wall are not volumetrically significant. Pyrite is the dominant sulphide, exhibiting a silvery subhedral texture with notable disseminations along vein edges. Relict textures include rounded 'quartz eyes' and altered fiamme layers. The rhyolite's footwall shows polymict conglomeratic horizons subjected to similar alteration, while mineralization is absent outside this unit, attributed to the rhyolite's brittle rheology.

At Junction, mineralisation is characterized by grey to cream silicification, with Fe-carbonate and sericite. Sulphides mainly include bronze fine-grained and silver subhedral pyrite, with rare acicular arsenopyrite.

At Anuri, strong shearing and silicification occur, favouring conglomeratic lenses, with pyrite, arsenopyrite, and rare visible gold in quartz-carbonate veinlets.

Ore Reserves

TCG has not yet defined an Ore Reserve over Afema.

Mineral Resources

TCG reported a maiden Afema JORC Resource in August 2024 of 64.3Mt @ 1.2g/t Au for 2.51Moz, noting 60% of the resource ounces are in the Indicated category. Of the total Afema resource, 42.6Mt @ 0.9g/t Au for 1.25Moz comes from the Woulo Woulo deposit, while the Junction and Anuri comprise 10.1Mt @ 2.0g/t Au for 660koz; and 11.6Mt @ 1.6g/t Au for 600koz respectively. The resource was delivered within five months of TCG acquisition of the project at a cost of <US\$7/oz to TCG. Mineralisation at Woulo Woulo shows broad widths with 70% of contained ounces in the top 200m suggesting its amenability to low strip ratio open pit mining.

Figure 22: Afema Mineral Resource – August 2024

	Mt	g/t Au	Moz
Woulo Woulo	42.6	0.9	1.25
Measured	0.0	0.0	0.00
Indicated	27.4	0.9	0.80
Inferred	15.2	0.9	0.45
Jonction	10.1	2.0	0.66
Measured	0.0	0.0	0.00
Indicated	5.2	2.2	0.37
Inferred	4.9	1.8	0.29
Anuri	11.6	1.6	0.60
Measured	0.0	0.0	0.00
Indicated	5.9	1.8	0.34
Inferred	5.7	1.4	0.26
Total Measured	0.0	0.0	0.00
Total Indicated	38.5	1.2	1.51
Total Inferred	25.8	1.2	1.00
Total - Resources	64.3	1.2	2.51

Source: Company reports

Metallurgy

Historically, the Afema Shear has been regarded as hosting refractory gold deposits as seen at Jonction, Anuri and Asupiri. Woulo Woulo sits on an adjacent shear/splay. With this in mind, TCG undertook early-stage metallurgical work to ascertain the metallurgy at Woulo Woulo. This work was undertaken on composite drill samples for each of the oxide, transitional and fresh mineralised domains at Woulo Woulo. Results of 93.9%, 88.2% and 89.4% respectively indicate Woulo Woulo would appear to be of a free-milling nature, in our view.

Testwork has been undertaken on the refractory Jonction deposit, revealing gold extraction rates of 77% to 85% from fresh mineralisation through grinding, low mass concentrate flotation, ultra-fine grinding, and leaching. TCG highlights that this successful flowsheet has been used by companies like Emerald Resources and Centamin. TCG will work at applying the same process to Anuri, which has shown similar flotation results. Tests across Jonction, Anuri and Asupiri indicated some 'preg-robbing' carbon in Asupiri, leading to its exclusion from the recent resource estimate until further tests clarify its impact. No significant 'preg-robbing' carbon was found at Woulo Woulo or Jonction, with only minimal presence at Anuri.

Infrastructure

The Afema Project is located in southeast Côte d'Ivoire close to the Ghanaian border and is serviced by a new bituminised major highway that is nearing completion, connecting Abidjan to Ghana. Two of Côte d'Ivoire's major hydro-power schemes are located on the north-western boundary of the Afema Project area. We therefore anticipate the project access cheap, grid power in the future, which could have a positive impact on operating costs.

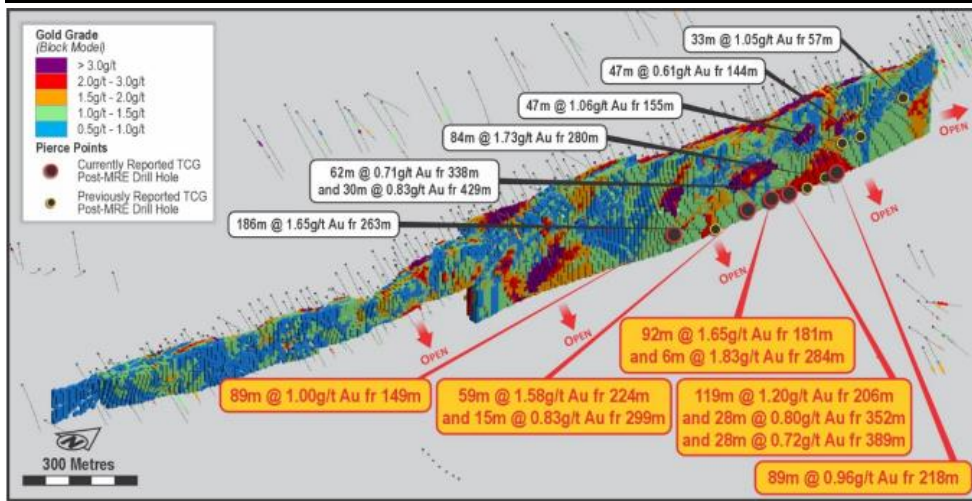
Exploration

Resource extension

TCG has continued to drill at Woulo Woulo following release of its maiden resource. Results continue to flow through that point to growth beyond the current resource outline at depth. These holes were drilled 60-90m below the resource and across a strike of ~500m as shown in Figure 23. Latest results include:

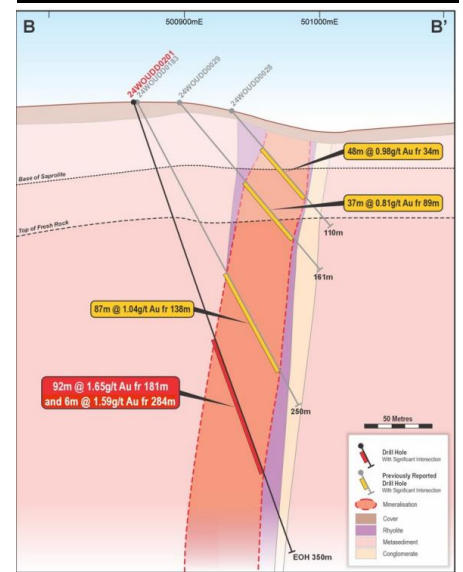
- **92m @ 1.65g/t Au** from 181m (incl. 37m @ 2.1g/t Au) TW is 50%
- **211m @ 0.9g/t Au** from 206m (incl. 119m @ 1.2g/t Au) TW is 25-30%
- **59m @ 1.58g/t Au** from 224m (incl. 19m @ 2.6g/t Au) TW is 50%

Figure 23: Woulo Woulo oblique long section with recent extensional holes highlighted



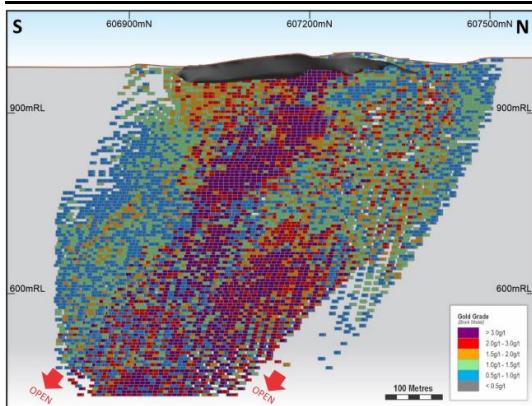
Source: Company reports

Figure 24: Woulo Woulo cross section



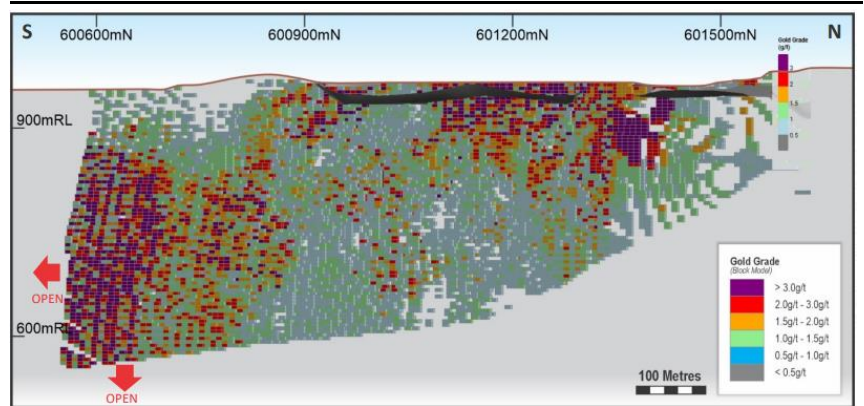
Source: Company reports

Figure 25: Junction long section



Source: Company reports

Figure 26: Anuri long section

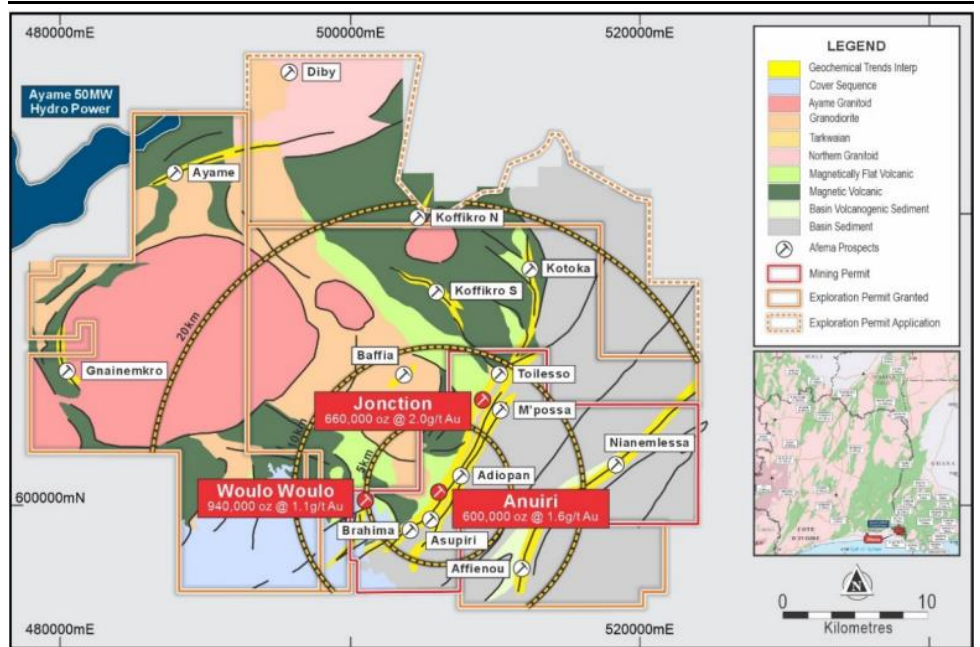


Source: Company reports

Regional

Drilling is currently testing high priority exploration targets with diamond drilling underway on the historic 'Herman Mine' trend located on a parallel structure adjacent to Woulo Woulo, 700m to the west. This is within the adjacent recently granted exploration permit PR958. Following a small reconnaissance program at Herman Mine, the diamond rig will be remobilised to the Junction deposit to undertake a program of infill and shallow extensional drilling. An RC rig is expected to arrive on site by early October to commence exploration drilling along the Niamienlessa trend both within the granted mining permit and along trend to the south within the exploration permits (Affienou Prospect).

Figure 27: Afema deposit and prospect map

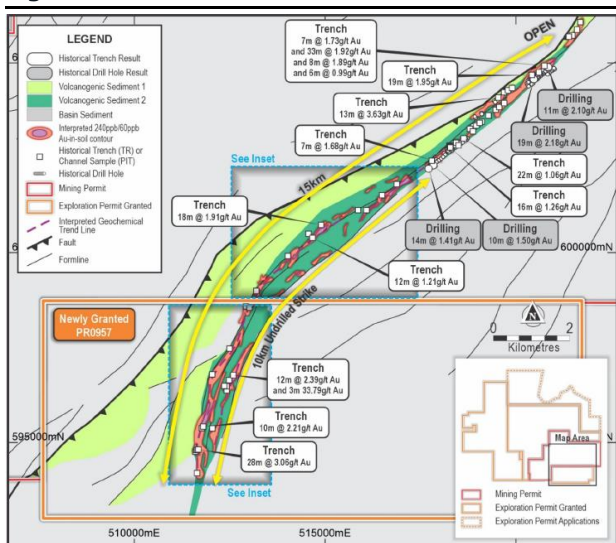


Source: Company reports

TCG has highlighted the Niagemlessa Shear as a highly prospective regional target zone. The southern portion of the 20km anomalous Niagemlessa Shear is untested with drilling and has the highest and most consistent gold-in-soils at Affienou Prospect, according to TCG. In addition, it is located within 5-10km of the Woulo Woulo discovery. An extensive recent artisanal mining site is currently exploiting ~50m wide saprolite zone of mineralisation with sampling of pit walls returning **36m @ 4.08g/t Au**. Channel sampling and trenching has also returned:

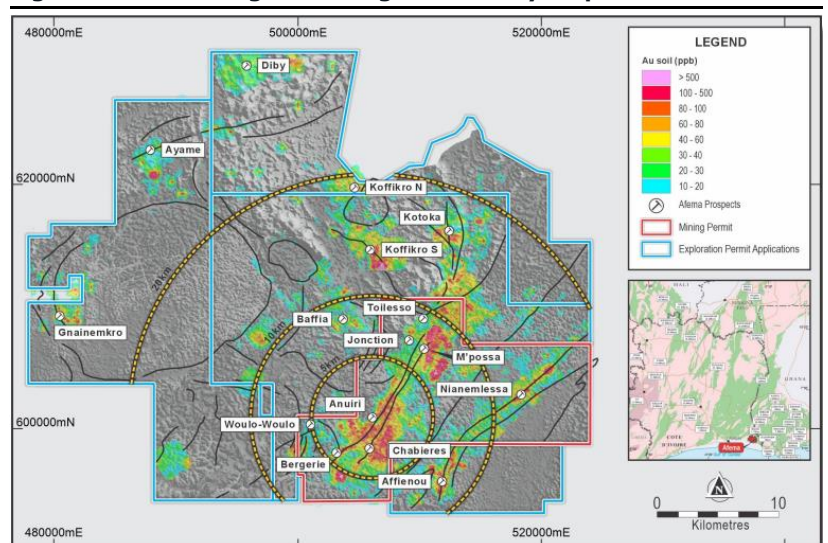
- 28m @ 3.06g/t Au
- 12m @ 2.39g/t Au
- 13m @ 3.63g/t Au
- 18m @ 1.91g/t Au

Figure 28: Niagemlessa Shear



Source: Company reports

Figure 29: Afema regional soil geochemistry map

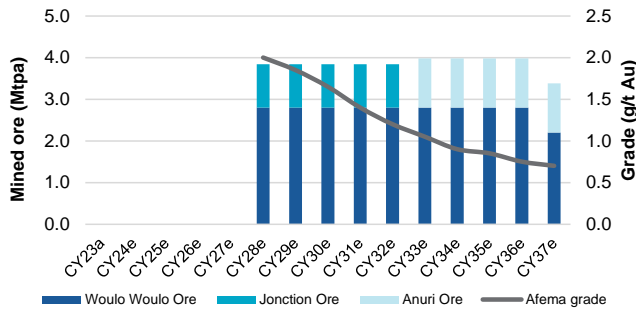


Source: Company reports

CG mining scenario for Afema

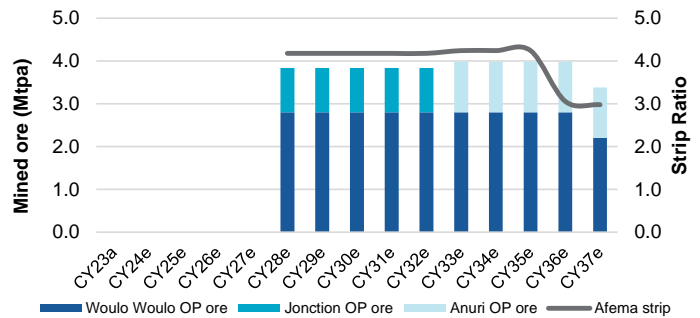
We model a 10-year open-pit mining operation at Afema, fed by the three deposits currently in resource. Woulo Woulo provides ~2.8-3Mtpa of foundation base feed over the LOM with Jonction augmenting Woulo Woulo for the first five years at a 1Mtpa rate and Anuri providing additional feed for the last five years of our modelled "mine plan" at a rate of 1.2Mtpa. Given the presence of high-grades close to surface, we have employed a stockpiling strategy whereby higher grades are fed through the 4Mtpa plant in initial years and taper off towards the backend of the mine plan to average 1.2g/t Au of the life of mine. LOM production averages 130kozpa with 169kozpa averaged in the first five years of operations. AISC average US\$1,250/oz with upfront capital of US\$300m assumed. Strip ratios average 4.0:1 over LOM with recoveries modelled at 85% owing to the clean, free milling ore at Woulo Woulo blended with the sulphide ores from Jonction and Anuri.

Figure 30: Afema ore mined by deposit & gold grade



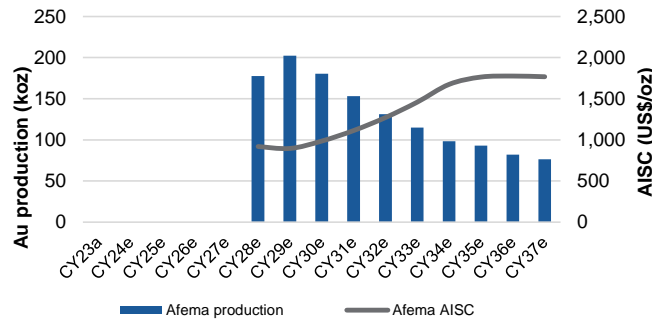
Source: Canaccord Genuity estimates

Figure 31: Afema ore mined & strip ratio



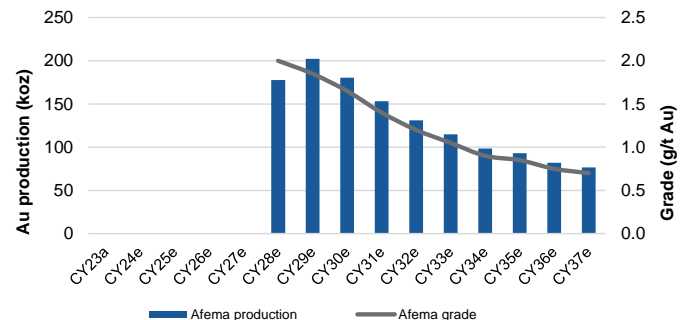
Source: Canaccord Genuity estimates

Figure 32: Gold production & AISC



Source: Canaccord Genuity estimates

Figure 33: Gold production & grade



Source: Canaccord Genuity estimates

Cost benchmarking

While Figure 15, which shows a number of African development assets, suggests that a capital intensity of ~US\$100/t of milled capacity is an appropriate starting point for capex, we highlight that this includes underground development in total capex for a number of developments. For example, PDI's US\$456m capex estimate for the 5.5Mtpa plant at Bankan comprises US\$80m of underground development and a further US\$15 allocated for a power plant. This is almost US\$100m of cost that a grid powered, 4Mtpa open pit at Afema would not require, hence our US\$300m capex assumption (US\$75/t of milled capacity), which is in-line with other current open pit developments such as WAF's Kiaka.

While mining costs are typically US\$3-4/t ore and is a safe starting point for costs, variations in site power source (to drive high energy consuming plant equipment such as ball and SAG mills) and the hardness of rock being milled can have a large bearing on processing costs. Figure 34 compares the Bond Ball Mill Work Index (Bwi) for a number of development assets and mines, alongside site power sources, to assist in benchmarking appropriate processing costs. Afema's Bwi shows moderate rock hardness and underpins our US\$15/t process cost assumption.

Figure 34: Comparison of rock hardness (Bwi) and operating costs for a number of current West African developments and operating mines

	TCG-ASX: Afema	Studies				Operating		
		PDI-ASX: NEB Deposit	TIE-ASX: AG Deposit	MON-TSX: Koné	WAF-ASX: Kiaka	PRU-ASX: Yaoure	PRU-ASX: Sisingue	WAF-ASX: Sanbrado
Year	2024	2024	2021	2024	2024	FY24	FY24	YTD 2024
Bond Ball Mill Oxide	14.40	2.00	-	-	Unknown	14.70	5.40	6.10
Work Index (Bwi) Transitional	14.90	-	8.95	-			17.20	16.23
Fresh	16.70	22.30	12.02	10.70	-	17.78		
Processing Cost (US\$/t)	\$15.0	\$19.1	\$6.5	\$6.7	\$12.8	\$13.6	\$16.0	\$20.0
Site Power	Grid	HFO	Grid	Grid	Grid	Grid	Diesel	HFO
O/P Mining Cost (US\$/t)	\$3.5	\$3.6	\$2.4	\$3.2	\$3.1	\$3.4	\$5.1	\$4.2
Strip ratio (w:o)	4.0	4.6	6.0	1.2	1.8	5.4	5.8	2.4
AISC (US\$/oz)	\$1,250	\$1,132	\$832	\$998	\$1,196	\$943	\$1,641	\$1,223
Throughput	4.0	5.0	4.5	11.0	7.0	3.8	1.5	3.2
Capex (US\$m)	\$300	\$456	\$200	\$712	\$566			

Source: Company reports, Canaccord Genuity estimates

Asset overview: Eburnea Gold Project, Côte d'Ivoire

Overview

TCG holds an 80% joint venture interest in Bouake North Permit PR575 with Eburnea Gold Resources SARL and has right to acquire a further 10% interest for a total interest of 90%.

The Eburnea Project permits cover 610km² in central Côte d'Ivoire. The Bouake North permit is positioned on the Oume-Fetekro belt which hosts the 2.5Moz Fetekro gold project approximately 35km to the north and the 2.5Moz Bonikro and 1.0Moz Agbaou gold mines 200km to the south. The Satama permit covers a significant north-east trending shear splaying off the crustal scale Ouango-Fitini shear, which marks the margin of the Birimian Comoé basin.

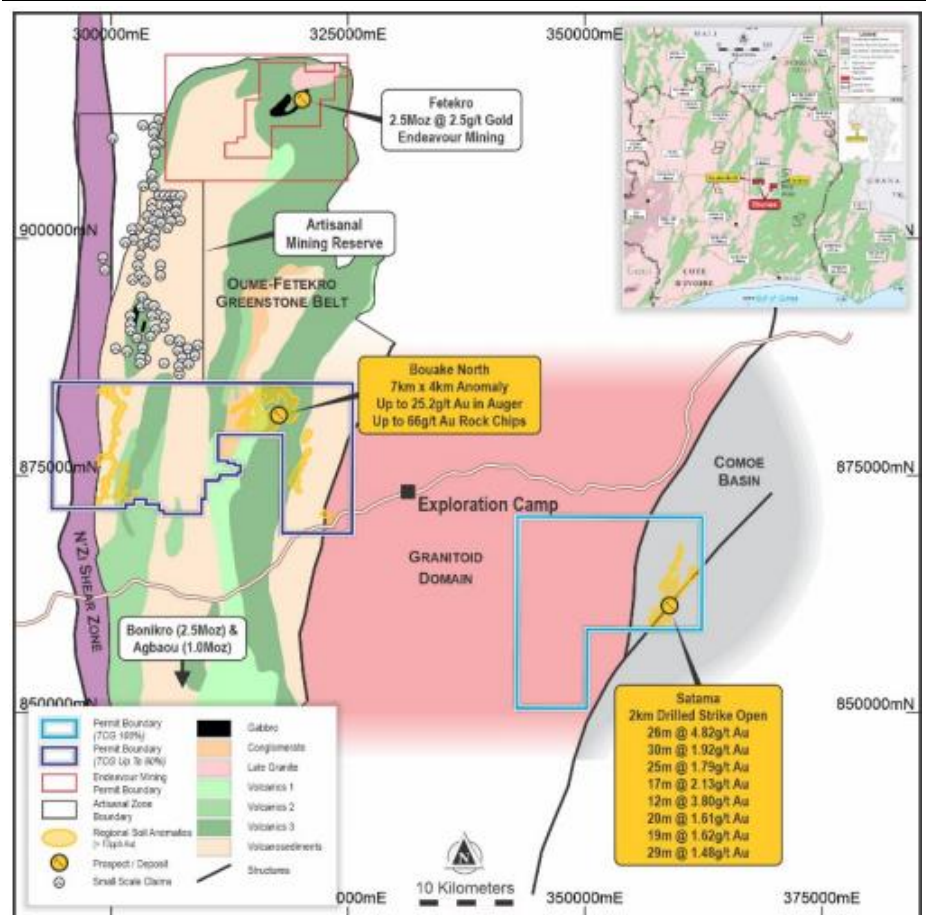
Exploration history

TCG made a greenfield discovery at Satama and has drilled 2km of strike with continuous gold mineralisation from surface to approximately 150mbs.

Previous results include:

- **30m @ 1.92g/t Au** from 94m
- **26m @ 4.82g/t Au** from 35m
- **17m @ 2.13g/t Au** from 16m

Figure 35: Eburnea Gold Project location map



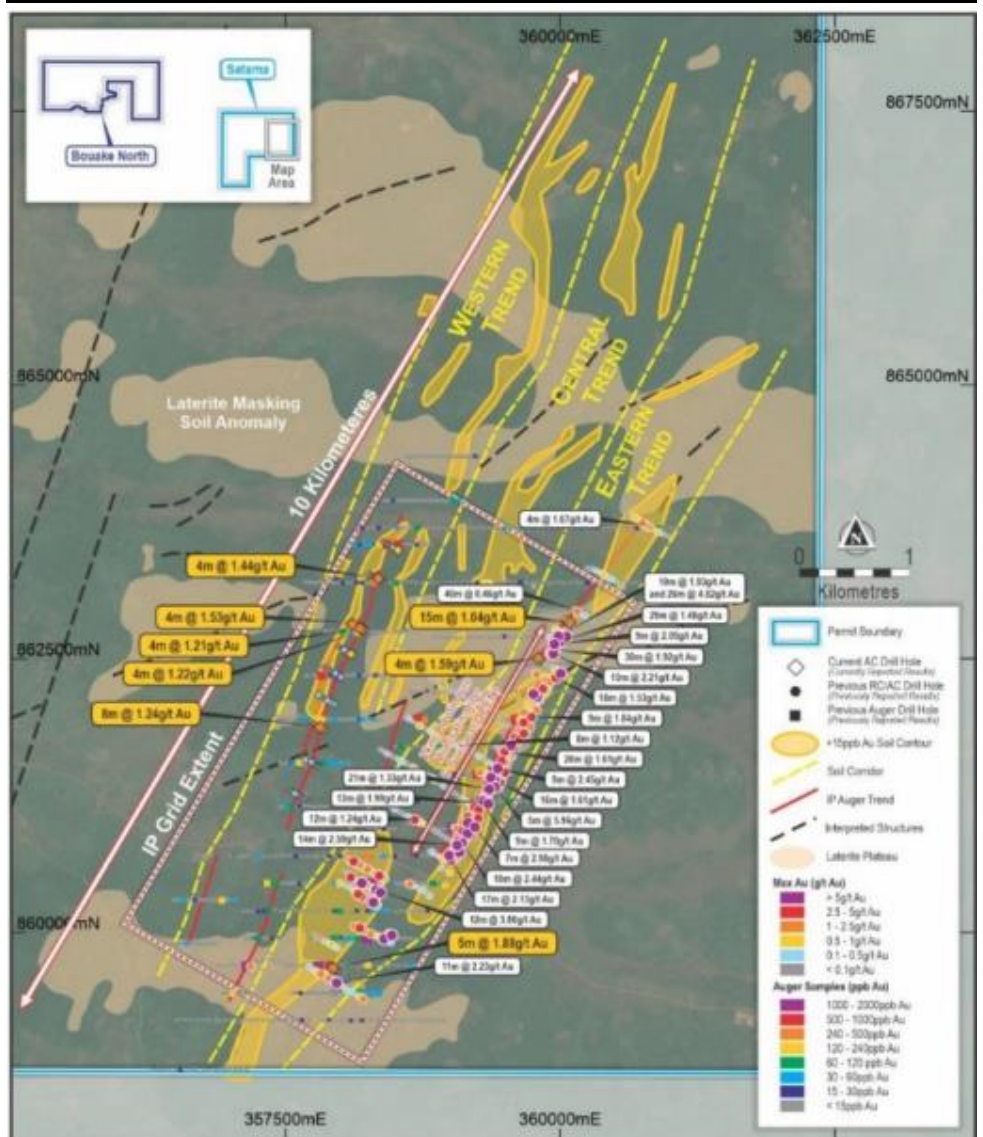
Source: Company reports

Geology and mineralisation

Local geology

Gold mineralisation at Satama occurs as closely stacked zones of quartz veining accompanied by strong pyrite, carbonate and sericite alteration of the sandstone host. Weathering extends to an average depth of 80m vertical with partial oxidation along fractures and sulphides extending to ~100m vertical, providing scope for a substantial oxide resource. Importantly, high grade mineralisation extends into the fresh rock strike length. The mineralisation features both disseminated and vein-related gold, associated with pyrrhotite, pyrite, chalcopyrite, and arsenopyrite, with higher grades linked to quartz veins and silicified wall rocks.

Figure 36: Satama trend



Source: Company reports

Current work

With TCG’s focus on Afema, no recent work has been undertaken over the Eburnea Gold Project. Both the Satama and Bouake North exploration permits are due for renewal and the company is working with the Department of Mines & Geology to advance these permit renewals.

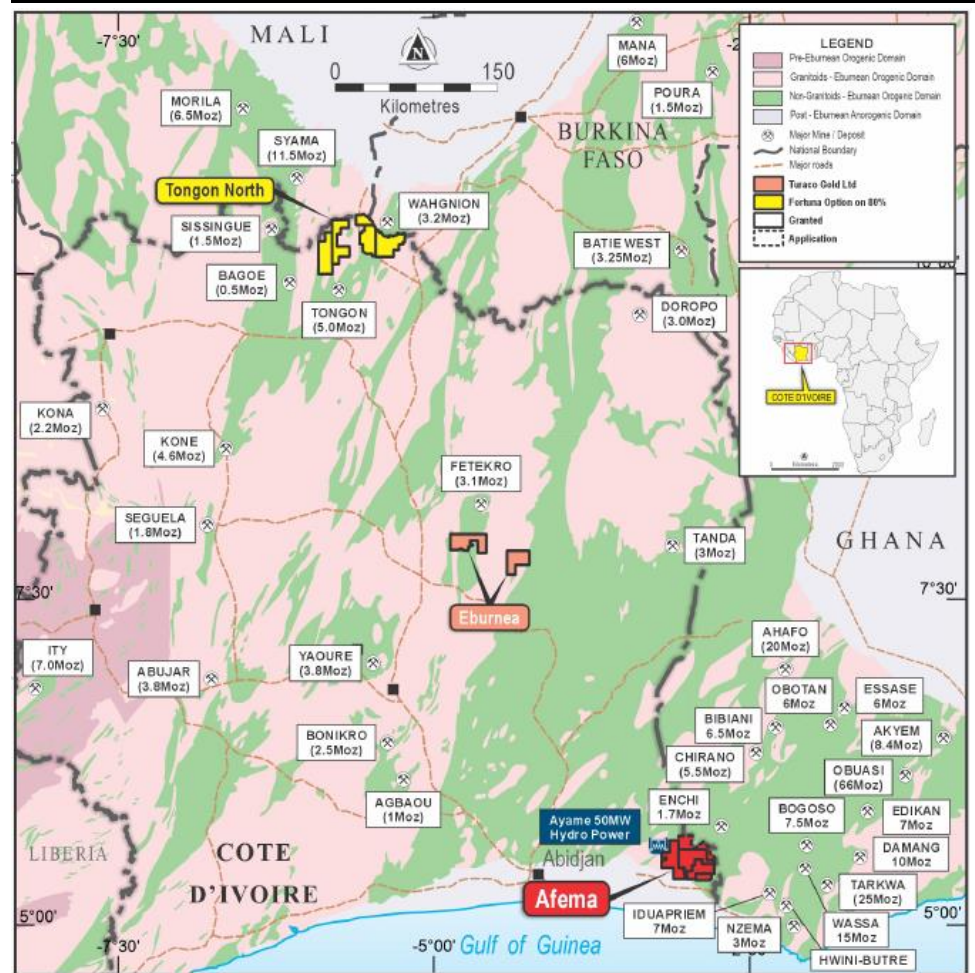
Asset overview: Tongon North Gold Project, Côte d'Ivoire

Overview

In March 2024, TCG has entered into Option Agreement with Fortuna Silver Mines Inc whereby Fortuna can acquire 80% interest in the Tongon North Project permits by spending US\$3.5 million over three years.

This asset is non-core.

Figure 37: TCG's project locations



Source: Company reports

Board and management

Justin Tremain – Managing Director

Justin is an experienced company director across the mineral resources sector. He was previously Managing Director of Exore Resources until its takeover by Perseus Mining, Founding Managing Director of Renaissance Minerals until its takeover by Emerald Resources, where he served as Executive Director and Non-Executive Director of Caspin Resources and Future Metals.

John Fitzgerald – Non-Executive Chairman

John is an experienced resource financier having held senior positions with various investment banks. Prior to Turaco he was Non-Executive Director of Northern Star Resources and Danakali and is the former Chair of Exore Resources.

Alan Campbell – Non-Executive Director

Alan has over 30 years of experience in global exploration and mining for major and junior companies. He is a former Managing Director of Papillon Resources (Fekola discovery), which was acquired by B2 Gold.

Bruce Mowat – Non-Executive Director

As Resolute's previous General Manager – Exploration, Bruce brings not only 30 years of exploration experience as a geologist but also in-depth knowledge of TCG's Cote d'Ivoire Projects having overseen the Resolute projects for the past several years.

Financial summary

TURACO GOLD LIMITED

Analyst : Paul Howard
Date: 26/09/2024
Year End: December

TCG:ASX

Rating:
Target Price:

SPEC BUY
A\$0.65

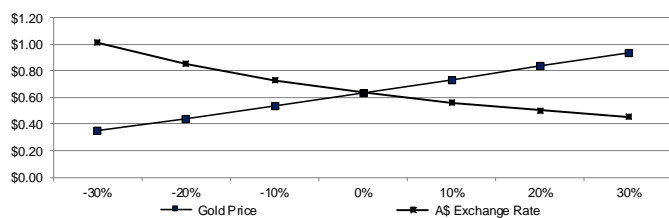
Market Information

Share Price	A\$	0.34
Market Capitalisation	A\$m	251.5
12 Month Hi	A\$	0.34
12 Month Lo	A\$	0.05
Issued Capital	m	750.7
Options	m	39.2
Fully Diluted	m	789.9

Valuation	Risked	A\$m	A\$/share
Afema	75%	436	0.52
Exploration & Projects		83	0.10
Corporate		(14)	(0.02)
Net Cash/(debt) + Bullion		18	0.02
Options		1	0.00
Assumed New equity		20	0.02
TOTAL NAV		544	0.65
Price:NAV			0.52x
NAV @ Spot	Spot US\$2,678/oz, AUDUSD \$0.69		0.61
Target Price (1.00 x NAV)			0.65

Assumptions	2023a	2024e	2025e	2026e
Gold Price (US\$/oz)	1,939	2,294	2,476	2,548
AUD:USD	0.67	0.66	0.67	0.68
Gold Price (A\$/oz)	2,910	3,454	3,695	3,746

Sensitivity



Production Metrics	2025e	2026e	2027e	2028e
Afema				
Prod'n (koz)	0	0	0	178
AISC (US\$/oz)	0	0	0	925

Reserves	Mt	Grade	Moz
Proven	0.0	0.0	0.00
Probable	0.0	0.0	0.00
TOTAL	0.0	0.0	0.00

Resources	Mt	Grade	Moz
Woulo Woulo			
Meas+Ind	27.4	0.9	0.80
Inferred	15.2	0.9	0.45
Sub Total	42.6	0.9	1.25

Jonction	Mt	Grade	Moz
Meas+Ind	5.2	2.2	0.4
Inferred	4.9	1.8	0.29
Sub Total	10.1	2.0	0.66

Anuri	Mt	Grade	Moz
Meas+Ind	5.9	1.8	0.3
Inferred	5.7	1.4	0.26
Sub Total	11.6	1.6	0.60

Total Meas+Ind	38.5	1.2	1.5
Total Inferred	25.8	1.2	1.0
TOTAL RESOURCES	64.3	1.2	2.51

Company Description

Turaco Gold is focussed on the flagship Afema Gold Project (earning 70%), located in southeastern Côte d'Ivoire, 120km east of the capital Abidjan. The company recently released a maiden JORC resource that totals 2.5Moz @ 1.2g/t Au across three deposits. This should be viewed as a starting point given the large expanse of underexplored, prospective tenure in our view.

Profit & Loss (A\$m)	2023a	2024e	2025e	2026e
Revenue	0.0	0.0	0.0	0.0
Operating Costs	0.0	0.0	0.0	0.0
Corporate, O'heads & Royalties	1.8	2.0	2.0	2.0
Exploration (Expensed)	3.1	7.3	8.0	8.0
EBITDA	-4.9	-9.1	-9.8	-9.6
Dep'n	-0.1	0.0	0.0	0.0
Net Interest	0.0	0.2	0.2	0.4
Other	0.0	0.0	0.0	0.0
Tax	0.0	2.3	2.5	2.4
NPAT (statutory)	-5.1	-6.8	-7.4	-7.2
Abnormals	0.0	0.0	0.0	0.0
NPAT	-5.1	-6.8	-7.4	-7.2

<i>EBITDA Margin</i>	<i>nm</i>	<i>nm</i>	<i>nm</i>	<i>nm</i>
<i>EV/EBITDA</i>	<i>nm</i>	<i>nm</i>	<i>nm</i>	<i>nm</i>
<i>EPS</i>	<i>-\$0.05</i>	<i>-\$0.01</i>	<i>-\$0.01</i>	<i>-\$0.01</i>
<i>EPS Growth</i>	<i>nm</i>	<i>nm</i>	<i>nm</i>	<i>nm</i>
<i>PER</i>	<i>-6.84</i>	<i>-33.89</i>	<i>-34.20</i>	<i>-37.10</i>
<i>Dividend Per Share</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>
<i>Dividend Yield</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>

Cash Flow (A\$m)	2023a	2024e	2025e	2026e
Cash Receipts	0.0	0.0	0.0	0.0
Cash paid to suppliers & employee	-5.7	-2.0	-2.0	-2.0
Tax Paid	0.0	1.2	2.5	2.4
Net Interest	0.1	0.2	0.2	0.4
Other	0.0	-0.1	0.0	0.0
Operating Cash Flow	-5.6	-0.7	0.6	0.8
Exploration and Evaluation	0.0	-7.3	-8.0	-8.0
Capex	0.0	0.0	0.0	0.0
Other	-0.0	-2.6	-5.3	-5.5
Investing Cash Flow	-0.0	-9.9	-13.3	-13.5
Debt Drawdown (repayment)	0.0	0.0	0.0	0.0
Share capital	10.4	18.1	20.0	0.0
Dividends	0.0	0.0	0.0	0.0
Financing Expenses	-0.6	-1.0	-0.9	0.0
Other	0.0	0.0	0.0	0.0
Financing Cash Flow	9.8	17.2	19.1	0.0
Opening Cash	3.9	8.1	14.7	22.0
Increase / (Decrease) in cash	4.1	6.6	6.4	-12.7
FX Impact	0.1	0.0	0.0	0.0
Closing Cash	8.0	14.7	21.1	9.3

<i>Op. Cashflow/Share</i>	<i>-\$0.01</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>
<i>P/CF</i>	<i>-37.1</i>	<i>-373.7</i>	<i>388.4</i>	<i>348.6</i>
<i>FCF</i>	<i>-5.67</i>	<i>-10.57</i>	<i>-12.62</i>	<i>-12.75</i>
<i>EV/FCF</i>	<i>nm</i>	<i>nm</i>	<i>nm</i>	<i>nm</i>
<i>FCF Yield</i>	<i>-2%</i>	<i>-4%</i>	<i>-5%</i>	<i>-5%</i>

Balance Sheet (A\$m)	2023a	2024e	2025e	2026e
Cash + S/Term Deposits	8.1	14.7	22.0	9.3
Other current assets	0.2	0.0	0.0	0.0
Current Assets	8.3	14.7	22.1	9.3
Property, Plant & Equip.	0.1	0.1	0.1	0.1
Exploration & Develop.	1.1	1.1	1.1	1.1
Other Non-current Assets	0.1	2.1	7.1	13.1
Payables	0.7	0.0	0.0	0.0
Short Term Debt	0.0	0.0	0.0	0.0
Long Term Debt	0.0	0.0	0.0	0.0
Other Liabilities	0.1	2.9	2.6	3.1
Net Assets	8.8	15.2	27.8	20.6
Shareholders Funds	77.6	90.8	110.8	110.8
Reserves	4.4	4.4	4.4	4.4
Retained Earnings	-72.8	-79.6	-86.9	-94.1
Total Equity	8.8	15.2	27.8	20.6

<i>Debt/Equity</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>
<i>Net Debt/EBITDA</i>	<i>1.4x</i>	<i>21.8x</i>	<i>-32.6x</i>	<i>-12.1x</i>
<i>Net Interest Cover</i>	<i>nm</i>	<i>nm</i>	<i>nm</i>	<i>nm</i>
<i>ROE</i>	<i>-57%</i>	<i>-45%</i>	<i>-26%</i>	<i>-35%</i>
<i>ROIC</i>	<i>-227%</i>	<i>-200%</i>	<i>-88%</i>	<i>-50%</i>
<i>Book Value/share</i>	<i>\$0.01</i>	<i>\$0.02</i>	<i>\$0.03</i>	<i>\$0.03</i>

Source: Company reports, Canaccord Genuity estimates

Appendix: Important Disclosures

Analyst Certification

Each authoring analyst of Canaccord Genuity whose name appears on the front page of this research hereby certifies that (i) the recommendations and opinions expressed in this research accurately reflect the authoring analyst's personal, independent and objective views about any and all of the designated investments or relevant issuers discussed herein that are within such authoring analyst's coverage universe and (ii) no part of the authoring analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by the authoring analyst in the research, and (iii) to the best of the authoring analyst's knowledge, she/he is not in receipt of material non-public information about the issuer.

Analysts employed outside the US are not registered as research analysts with FINRA. These analysts may not be associated persons of Canaccord Genuity LLC and therefore may not be subject to the FINRA Rule 2241 and NYSE Rule 472 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Sector Coverage

Individuals identified as "Sector Coverage" cover a subject company's industry in the identified jurisdiction, but are not authoring analysts of the report.

Investment Recommendation

Date and time of first dissemination: September 26, 2024, 19:16 ET

Date and time of production: September 26, 2024, 19:16 ET

Target Price / Valuation Methodology:

Turaco Gold Limited - TCG

Our valuation is preliminary in nature and should be viewed as a what-if case given no formal mining studies have been published. We have modelled a potential development scenario using weighting for 1.0x forward curve, consensus and spot commodity prices, and have applied a conservative 10% discount rate to our NPV with additional risking.

Risks to achieving Target Price / Valuation:

Turaco Gold Limited - TCG

Orebody risks: The CG development scenario for TCG centres around defining a minable reserve at Afema. There is no guarantee that this eventuates and this presents risk to our valuation.

Geopolitical risks: TCG's key asset is located in Côte d'Ivoire, which is considered an emerging market. As such, TCG, through the Afema Gold Project, carries a higher degree of economic, political, social, legal and legislative risk.

Financing risks: As a pre-production company with no material income, TCG is reliant on equity and debt markets to fund development of its assets and progression of its regional exploration pipeline. Total development and working capital requirements are subject to completion of feasibility studies. There are no guarantees that studies will result in a positive investment decision for the Afema Gold Project. Further, we can make no assurances that accessing these markets will be done without further dilution to shareholders.

Exploration risks: Exploration is subject to a number of risks and can require a high rate of capital expenditure. Risks can also be associated with conversion of inferred resources and lack of accuracy in the interpretation of geochemical, geophysical, drilling and other data. No assurances can be given that exploration will delineate further Mineral Resources nor that the company will be able to convert the current Mineral Resources into Ore Reserves.

Operating risks: If and when in production, the company will be subject to risks such as plant/equipment breakdowns, metallurgical (meeting design recoveries within a complex flowsheet), materials handling and other technical issues. An increase in operating costs could reduce the profitability and free cash generation from the operating assets considerably and negatively impact valuation. Further, the actual characteristics of an ore deposit may differ significantly from initial interpretations, which can also materially impact forecast production from original expectations.

Commodity price and currency fluctuations: As with any mining company, TCG is directly exposed to commodity price and currency fluctuations. Commodity price fluctuations are driven by many macroeconomic forces including inflationary pressures, interest rates and supply and demand factors. These factors could reduce the profitability, costing and prospective outlook for the business.

Distribution of Ratings:

Global Stock Ratings (as of 09/26/24)

Rating	Coverage Universe		IB Clients
	#	%	%
Buy	613	66.78%	23.65%
Hold	134	14.60%	11.94%
Sell	15	1.63%	6.67%
Speculative Buy	147	16.01%	50.34%
	918*	100.0%	

*Total includes stocks that are Under Review

Canaccord Genuity Ratings System

BUY: The stock is expected to generate returns greater than 10% during the next 12 months.

HOLD: The stock is expected to generate returns from -10% to 10% during the next 12 months.

SELL: The stock is expected to generate returns less than -10% during the next 12 months.

NOT RATED: Canaccord Genuity does not provide research coverage of the relevant issuer.

Given the inherent volatility of some stocks under coverage, price targets for some stocks may imply target returns that vary temporarily from the ratings criteria above.

*As of January 1, 2024, the Ratings History Chart will reflect the new Canaccord Genuity Ratings System as defined above.

Risk Qualifier

SPECULATIVE: The stock bears significantly above-average risk and volatility. Investments in the stock may result in material loss.

12-Month Recommendation History (as of date same as the Global Stock Ratings table)

A list of all the recommendations on any issuer under coverage that was disseminated during the preceding 12-month period may be obtained at the following website (provided as a hyperlink if this report is being read electronically) <http://disclosures-mar.canaccordgenuity.com/EN/Pages/default.aspx>

Required Company-Specific Disclosures (as of date of this publication)

Canaccord Genuity or one or more of its affiliated companies intend to seek or expect to receive compensation for Investment Banking services from Turaco Gold Limited in the next three months.

Turaco Gold Limited Rating History as of 09/25/2024



Past performance

In line with Article 44(4)(b), MiFID II Delegated Regulation, we disclose price performance for the preceding five years or the whole period for which the financial instrument has been offered or investment service provided where less than five years. Please note price history refers to actual past performance, and that past performance is not a reliable indicator of future price and/or performance.

Online Disclosures

Up-to-date disclosures may be obtained at the following website (provided as a hyperlink if this report is being read electronically) <http://disclosures.canaccordgenuity.com/EN/Pages/default.aspx>; or by sending a request to Canaccord Genuity Corp. Research, Attn: Disclosures, P.O. Box 10337 Pacific Centre, 2200-609 Granville Street, Vancouver, BC, Canada V7Y 1H2; or by sending a request

by email to disclosures@cgf.com. The reader may also obtain a copy of Canaccord Genuity's policies and procedures regarding the dissemination of research by following the steps outlined above.

General Disclaimers

See "Required Company-Specific Disclosures" above for any of the following disclosures required as to companies referred to in this report: manager or co-manager roles; 1% or other ownership; compensation for certain services; types of client relationships; research analyst conflicts; managed/co-managed public offerings in prior periods; directorships; market making in equity securities and related derivatives. For reports identified above as compendium reports, the foregoing required company-specific disclosures can be found in a hyperlink located in the section labeled, "Compendium Reports." "Canaccord Genuity" is the business name used by certain wholly owned subsidiaries of Canaccord Genuity Group Inc., including Canaccord Genuity LLC, Canaccord Genuity Limited, Canaccord Genuity Corp., and Canaccord Genuity (Australia) Limited, an affiliated company that is 80%-owned by Canaccord Genuity Group Inc.

The authoring analysts who are responsible for the preparation of this research are employed by Canaccord Genuity Corp. a Canadian broker-dealer with principal offices located in Vancouver, Calgary, Toronto, Montreal, or Canaccord Genuity LLC, a US broker-dealer with principal offices located in New York, Boston, San Francisco and Houston, or Canaccord Genuity Limited., a UK broker-dealer with principal offices located in London (UK) and Dublin (Ireland), or Canaccord Genuity (Australia) Limited, an Australian broker-dealer with principal offices located in Sydney and Melbourne.

The authoring analysts who are responsible for the preparation of this research have received (or will receive) compensation based upon (among other factors) the Investment Banking revenues and general profits of Canaccord Genuity. However, such authoring analysts have not received, and will not receive, compensation that is directly based upon or linked to one or more specific Investment Banking activities, or to recommendations contained in the research.

Some regulators require that a firm must establish, implement and make available a policy for managing conflicts of interest arising as a result of publication or distribution of research. This research has been prepared in accordance with Canaccord Genuity's policy on managing conflicts of interest, and information barriers or firewalls have been used where appropriate. Canaccord Genuity's policy is available upon request.

The information contained in this research has been compiled by Canaccord Genuity from sources believed to be reliable, but (with the exception of the information about Canaccord Genuity) no representation or warranty, express or implied, is made by Canaccord Genuity, its affiliated companies or any other person as to its fairness, accuracy, completeness or correctness. Canaccord Genuity has not independently verified the facts, assumptions, and estimates contained herein. All estimates, opinions and other information contained in this research constitute Canaccord Genuity's judgement as of the date of this research, are subject to change without notice and are provided in good faith but without legal responsibility or liability.

From time to time, Canaccord Genuity salespeople, traders, and other professionals provide oral or written market commentary or trading strategies to our clients and our principal trading desk that reflect opinions that are contrary to the opinions expressed in this research. Canaccord Genuity's affiliates, principal trading desk, and investing businesses also from time to time make investment decisions that are inconsistent with the recommendations or views expressed in this research.

This research is provided for information purposes only and does not constitute an offer or solicitation to buy or sell any designated investments discussed herein in any jurisdiction where such offer or solicitation would be prohibited. As a result, the designated investments discussed in this research may not be eligible for sale in some jurisdictions. This research is not, and under no circumstances should be construed as, a solicitation to act as a securities broker or dealer in any jurisdiction by any person or company that is not legally permitted to carry on the business of a securities broker or dealer in that jurisdiction. This material is prepared for general circulation to clients and does not have regard to the investment objectives, financial situation or particular needs of any particular person. Investors should obtain advice based on their own individual circumstances before making an investment decision. To the fullest extent permitted by law, none of Canaccord Genuity, its affiliated companies or any other person accepts any liability whatsoever for any direct or consequential loss arising from or relating to any use of the information contained in this research.

Research Distribution Policy

Canaccord Genuity research is posted on the Canaccord Genuity Research Portal and will be available simultaneously for access by all of Canaccord Genuity's customers who are entitled to receive the firm's research. In addition research may be distributed by the firm's sales and trading personnel via email, instant message or other electronic means. Customers entitled to receive research may also receive it via third party vendors. Until such time as research is made available to Canaccord Genuity's customers as described above, Authoring Analysts will not discuss the contents of their research with Sales and Trading or Investment Banking employees without prior compliance consent.

For further information about the proprietary model(s) associated with the covered issuer(s) in this research report, clients should contact their local sales representative.

Short-Term Trade Ideas

Research Analysts may, from time to time, discuss "short-term trade ideas" in research reports. A short-term trade idea offers a near-term view on how a security may trade, based on market and trading events or catalysts, and the resulting trading opportunity that may be available. Any such trading strategies are distinct from and do not affect the analysts' fundamental equity rating for such stocks. A short-term trade idea may differ from the price targets and recommendations in our published research reports that reflect the research analyst's views of the longer-term (i.e. one-year or greater) prospects of the subject company, as a result of the differing time horizons, methodologies and/or other factors. It is possible, for example, that a subject company's common equity that is considered a long-term 'Hold' or 'Sell' might present a short-term buying opportunity as a result of temporary selling pressure in

the market or for other reasons described in the research report; conversely, a subject company's stock rated a long-term 'Buy' or 'Speculative Buy' could be considered susceptible to a downward price correction, or other factors may exist that lead the research analyst to suggest a sale over the short-term. Short-term trade ideas are not ratings, nor are they part of any ratings system, and the firm does not intend, and does not undertake any obligation, to maintain or update short-term trade ideas. Short-term trade ideas are not suitable for all investors and are not tailored to individual investor circumstances and objectives, and investors should make their own independent decisions regarding any securities or strategies discussed herein. Please contact your salesperson for more information regarding Canaccord Genuity's research.

For Canadian Residents:

This research has been approved by Canaccord Genuity Corp., which accepts sole responsibility for this research and its dissemination in Canada. Canaccord Genuity Corp. is registered and regulated by the Canadian Investment Regulatory Organization (CIRO) and is a Member of the Canadian Investor Protection Fund. Canadian clients wishing to effect transactions in any designated investment discussed should do so through a qualified salesperson of Canaccord Genuity Corp. in their particular province or territory.

For United States Persons:

Canaccord Genuity LLC, a US registered broker-dealer, accepts responsibility for this research and its dissemination in the United States. This research is intended for distribution in the United States only to certain US institutional investors. US clients wishing to effect transactions in any designated investment discussed should do so through a qualified salesperson of Canaccord Genuity LLC. Analysts employed outside the US, as specifically indicated elsewhere in this report, are not registered as research analysts with FINRA. These analysts may not be associated persons of Canaccord Genuity LLC and therefore may not be subject to the FINRA Rule 2241 and NYSE Rule 472 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

For United Kingdom and European Residents:

This research is distributed in the United Kingdom and elsewhere Europe, as third party research by Canaccord Genuity Limited, which is authorized and regulated by the Financial Conduct Authority. This research is for distribution only to persons who are Eligible Counterparties or Professional Clients only and is exempt from the general restrictions in section 21 of the Financial Services and Markets Act 2000 on the communication of invitations or inducements to engage in investment activity on the grounds that it is being distributed in the United Kingdom only to persons of a kind described in Article 19(5) (Investment Professionals) and 49(2) (High Net Worth companies, unincorporated associations etc) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended). It is not intended to be distributed or passed on, directly or indirectly, to any other class of persons. This material is not for distribution in the United Kingdom or elsewhere in Europe to retail clients, as defined under the rules of the Financial Conduct Authority.

For Jersey, Guernsey and Isle of Man Residents:

This research is sent to you by Canaccord Genuity Wealth (International) Limited (CGWI) for information purposes and is not to be construed as a solicitation or an offer to purchase or sell investments or related financial instruments. This research has been produced by an affiliate of CGWI for circulation to its institutional clients and also CGWI. Its contents have been approved by CGWI and we are providing it to you on the basis that we believe it to be of interest to you. This statement should be read in conjunction with your client agreement, CGWI's current terms of business and the other disclosures and disclaimers contained within this research. If you are in any doubt, you should consult your financial adviser.

CGWI is licensed and regulated by the Guernsey Financial Services Commission, the Jersey Financial Services Commission and the Isle of Man Financial Supervision Commission. CGWI is registered in Guernsey and is a wholly owned subsidiary of Canaccord Genuity Group Inc.

For Australian Residents:

This research is distributed in Australia by Canaccord Genuity (Australia) Limited ABN 19 075 071 466 holder of AFS Licence No 234666. To the extent that this research contains any advice, this is limited to general advice only. Recipients should take into account their own personal circumstances before making an investment decision. Clients wishing to effect any transactions in any financial products discussed in the research should do so through a qualified representative of Canaccord Genuity (Australia) Limited or its Wealth Management affiliated company, Canaccord Genuity Financial Limited ABN 69 008 896 311 holder of AFS Licence No 239052. This report should be read in conjunction with the Financial Services Guide available here - [Financial Services Guide](#).

For Hong Kong Residents:

This research is distributed in Hong Kong by Canaccord Genuity (Hong Kong) Limited which is licensed by the Securities and Futures Commission. This research is only intended for persons who fall within the definition of professional investor as defined in the Securities and Futures Ordinance. It is not intended to be distributed or passed on, directly or indirectly, to any other class of persons. Recipients of this report can contact Canaccord Genuity (Hong Kong) Limited. (Contact Tel: +852 3919 2561) in respect of any matters arising from, or in connection with, this research.

Additional information is available on request.

Copyright © Canaccord Genuity Corp. 2024 – Member CIRO/Canadian Investor Protection Fund

Copyright © Canaccord Genuity Limited. 2024 – Member LSE, authorized and regulated by the Financial Conduct Authority.

Copyright © Canaccord Genuity LLC 2024 – Member FINRA/SIPC

Copyright © Canaccord Genuity (Australia) Limited. 2024 – Participant of ASX Group, Cboe Australia and of the NSX. Authorized and regulated by ASIC.

All rights reserved. All material presented in this document, unless specifically indicated otherwise, is under copyright to Canaccord Genuity Corp., Canaccord Genuity Limited, Canaccord Genuity LLC or Canaccord Genuity Group Inc. None of the material, nor its content, nor any copy of it, may be altered in any way, or transmitted to or distributed to any other party, without the prior express written permission of the entities listed above.

None of the material, nor its content, nor any copy of it, may be altered in any way, reproduced, or distributed to any other party including by way of any form of social media, without the prior express written permission of the entities listed above.