

TCG | Cracking step-out results at Adiopan demonstrate further MRE growth to come

TCG.ASX | TURACO GOLD LIMITED | MATERIALS | GOLD

PRICE
0.75/sh

TARGET PRICE
1.55/sh
(FROM 1.40/sh)

RECOMMENDATION
SPECULATIVE BUY
(UNCHANGED)



Event

Turaco has reported very good extensional drilling results from Adiopan, which skirts the northern portion of the Asupiri MRE, with drilling highlighting extensions to strike over 1.5km in length. Some select holes include **42m @ 2.76g/t gold from 44m; 25m @ 3.31g/t gold from 65m; 37m @ 2.70g/t gold from 113m; 63m @ 1.16g/t gold from 62m.**

Impact

- Last reported results from Adiopan were released in Oct'25, and were not incorporated into the most recent update (16m @ 5.03g/t from 121m amongst others). **These drill results extend mineralisation an additional 1.5km southwest of the current resource boundary.**
- In addition to strike extensions the drilling has identified parallel mineralised shears along ~500m of strike, new and undrilled.**
- 52 holes for 8,579m of drilling have recently been completed at Adiopan, comprising 35 RC holes for 4,901m and 17 diamond core holes for 3,785m. Results have been received for 47 holes (7,511m), with **results pending for five diamond core holes (1,068m).**
- The northern 2.5 kilometres of strike within the Asupiri MRE had previously only been tested by shallow oxide drilling to depths of ~20 - 30m. Deeper targeted diamond drilling underneath this oxide cover is highly encouraging – **strong grades and widths demonstrate potential for a growing MRE and the Company is planning a substantial follow up drill program.**
- The Company expects mineralisation growth at Adiopan to be material, and for grades to be higher than current MRE grade (~1.2g/t Au).**
- The Afema PFS is ongoing and an Afema MRE update is underway concurrently, with the MRE update expected this quarter. The PFS is slated for Q2CY26.
- Turaco's drilling is focused on resource growth, supported by a large pipeline of high-quality targets across the Afema Project.
- Current exploration drilling is targeting new discoveries at Baffia and Kotoka and along the Niamienlessa-Affienou trend, underpinned by extensive geochemical sampling and a GAIP survey covering the full 35km of the Afema Shear.

Action

We continue to see significant project upside and lift our PT to \$1.55/sh (up from \$1.40/sh) and maintain our Speculative Buy recommendation.

TCG remains well funded with estimated cash of \$70m and with strong news flow from ongoing exploration drilling and PFS workstreams. We forecast **~A\$550m (+US\$350m) in capex for an initial 10-year LOM, ramping to 6Mtpa for steady-state production levels ~200kozpa;** with average grades over the LOM of ~1.3g/t Au, recoveries ~88% for lower than average costs of **~US\$1,300/oz AISC LOM.**

Recent corporate action (PDI-RXR merger) takeover valuations of ~A\$390/oz highlights the strategic nature of high-quality West African gold assets, which provide long term, sustainable high margin gold production profiles. PDI's takeover multiple values TCG at ~A\$1.56b (A\$1.41/sh), based on current mineral resource inventory.

Analyst

Mike Millikan

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| Share Price | 0.750 | A\$/sh |
|------------------------|-------|--------|
| Price Target | 1.55 | A\$/sh |
| Valuation | 1.08 | A\$/sh |
| Shares on issue (pf) | 1053 | m |
| Issued options | 52 | m |
| Market Capitalisation* | 828 | A\$m |
| Enterprise Value | 758 | A\$m |
| Debt est | 0 | A\$m |
| Cash est | 70 | A\$m |

| Shareholders (est) | msh | % |
|--------------------|------|------|
| T. Rowe Price | 54.1 | 5.1% |
| Endeavour Mining | 46.5 | 4.4% |
| Sodim* | 36.3 | 3.4% |
| Directors | 21.1 | 2.0% |

Directors

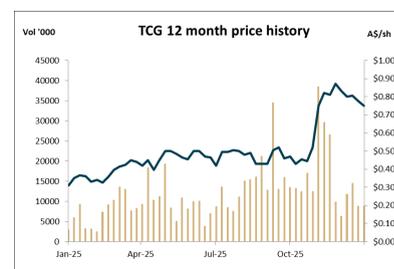
| | |
|-----------------|----------|
| John Fitzgerald | NE Chair |
| Justin Tremain | MD |
| Ian Kerr | NED |
| Bruce Mowat | NED |

| Resources 100% | Mt | g/t | Moz |
|----------------|-------|-------|------|
| Afema | 102.9 | 1.20 | 4.06 |
| | | EV/Rc | 187 |

Details

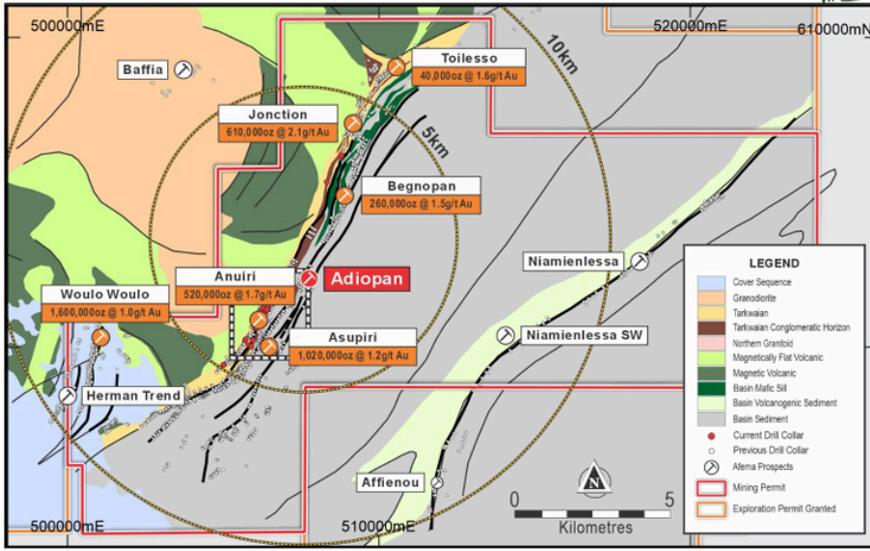
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Performance



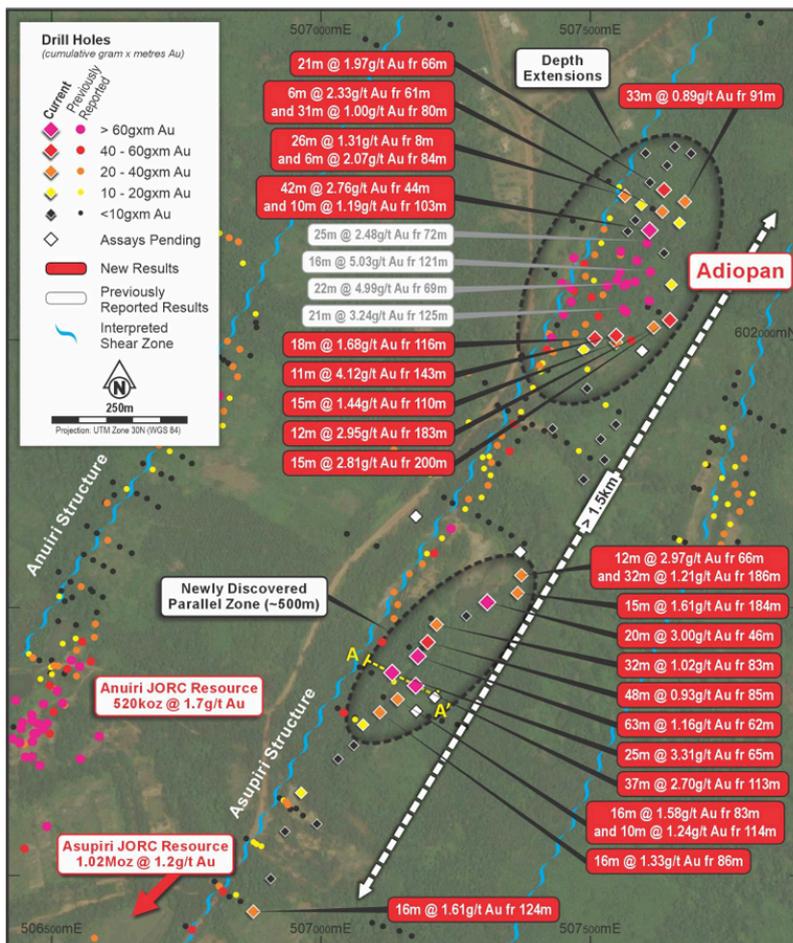
Source: IRESS

Figure 1: Project Location



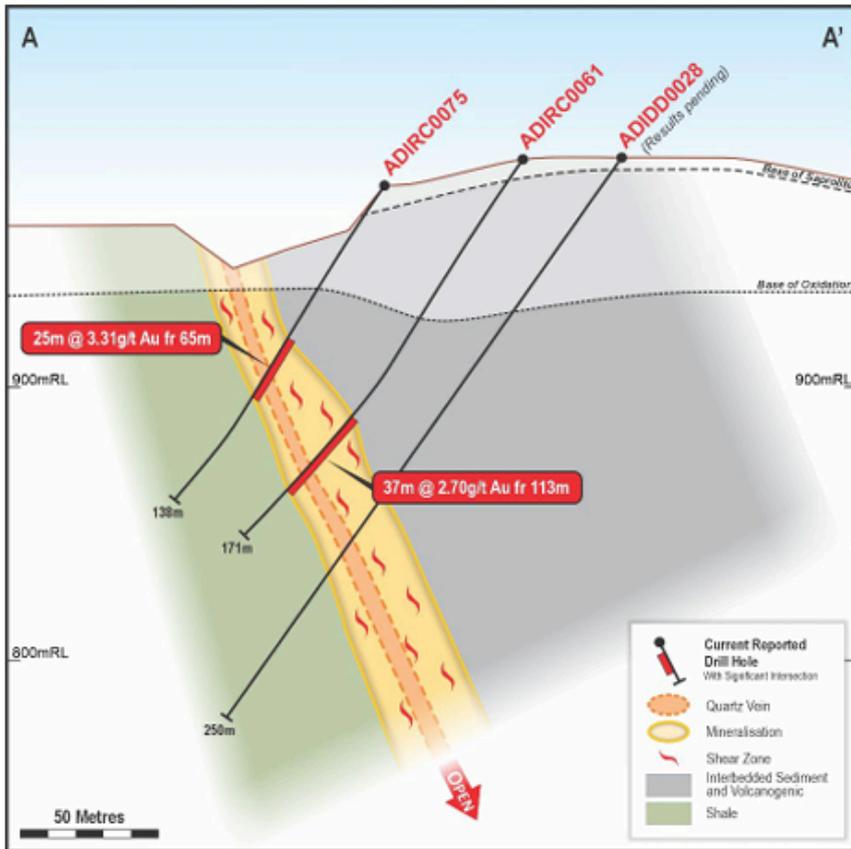
Source: TCG

Figure 2: Adiopan Drill Collars



Source: TCG

Figure 3: Adiopan cross section



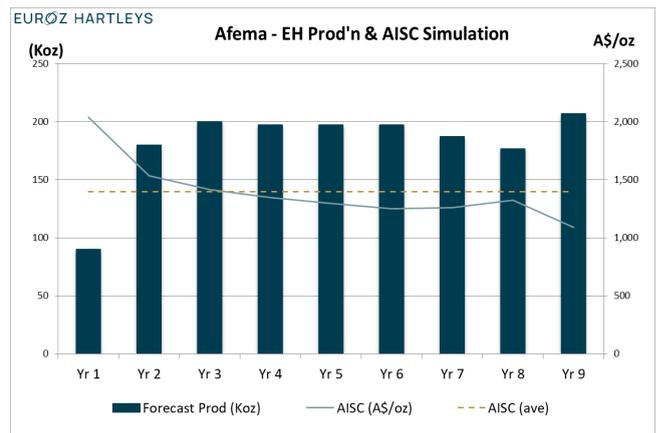
Source: TCG

Figure 4: TCG Asset Valuation EH

| Asset Valuation | Base | |
|-------------------------------|--------------|-------------|
| | A\$m | A\$/sh |
| (+) 90% Afema (risky) | 1,094 | 0.99 |
| (-) Corporate | (50) | (0.04) |
| (+/-) Hedging | - | - |
| (+) Exploration | 70 | 0.06 |
| (+) Other Assets | 10 | 0.01 |
| (+) Cash | 70 | 0.06 |
| (-) Debt | - | - |
| Total @ 12% | 1,194 | 1.08 |
| Spot US\$5060/oz A\$:US\$0.69 | 2,345 | 2.12 |
| Price Target | 1,710 | 1.55 |

Source: Euroz Hartleys (subject to change)

Figure 5: Afema Production Forecasts EH



Source: Euroz Hartleys (subject to change)

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Company disclosures

The companies and securities mentioned in this report, include:

Turaco Gold Limited (TCG.ASX) | Price 0.75 | Target price 1.55 | Recommendation Speculative Buy;

Price, target price and rating as at 27 January 2026 (not covered)*

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