

May 5, 2025

SPECULATIVE BUY (no change)

Stock code:	TCG AU
Price:	A\$0.44
12-month target price:	A\$1.29
Previous target price:	A\$1.10
Up/downside to target price:	193.2%
Dividend yield:	0.0%
12-month TSR*:	193.2%
Market cap:	A\$381m
Average daily turnover:	A\$0.5m
Index inclusion:	ALL ORDINARIES

* Total stock return – Up/downside to target price + 12-month forward dividend yield.

Price performance

(%)	1M	3M	12M	3Y
Absolute	6.0	37.5	120.0	388.9
Rel ASX/S&P200	2.4	41.6	112.6	379.3



Source: Iress

Financial summary

	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Revenue (A\$m)	0.0	0.0	0.0	0.0
EBITDA Norm (A\$m)	0.0	-14.3	-5.0	-4.0
NPAT (A\$m)	0.0	-12.1	-3.6	-8.8
EPS Norm (A\$)	0.000	-0.012	-0.004	-0.008
EPS Growth Norm (%)	NA	NA	-70.8%	118.0%
P/E Norm (x)	NA	NA	NA	NA
DPS (A\$)	0.000	0.000	0.000	0.000
Dividend Yield (%)	0.0%	0.0%	0.0%	0.0%
Franking (%)	NA	NA	NA	NA
EV/EBITDA (x)	NA	-26.2	-85.2	-141.0
Gearing (Net Debt/EBITDA)	0.00	1.53	3.64	-18.07

Source: Company data, Morgans estimates

Related research

[TCG \(SPEC BUY - TP A\\$1.10\) - 02 May 2025](#)
[TCG \(SPEC BUY - TP A\\$1.05\) - 24 Mar 2025](#)

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Analyst(s) own shares in the following stocks mentioned in this report:

– Turaco Gold

Turaco Gold

Very Big, Very Good.

- TCG has released an updated Mineral Resource Estimate (MRE), reporting a material increase of over 40% in contained ounces. Afema now stands at 90.8Mt @ 1.2g/t Au for 3.55Moz.
- All deposits remain open, and resource growth is expected to continue, supported by three rigs currently active on site. Notably, recent high-grade results from Begnopan (e.g. 34m @ 3.44g/t Au) are not yet included in the current MRE.
- Improved resource conversion (+17% Indicated), favourable metallurgy, and imminent resource growth support confidence in our production scenario and provide a clear line of sight to a 180–200kozpa operation.
- We reiterate our SPECULATIVE BUY rating, with TCG remaining our preferred small/mid cap gold stock for 2025. Our PT increases to A\$1.29 (previously A\$1.10).

Afema Grows to 3.55Moz

- TCG has delivered a strong MRE update for the Afema Project, increasing contained ounces by 41% to 3.55Moz. Afema now comprises four deposits, all located within the current Mining Licence (ML). Importantly, the resource is reported within a constrained pit shell using a 0.5g/t Au cut-off grade (previously unconstrained) and has seen a 17% uplift in Indicated material, reinforcing confidence in our modelled production scenario.
- Underground potential has been identified at Jonction and Anuiri, with a combined 260koz @ 2.6g/t Au, and multiple high-grade shoots requiring further drill testing.
- Woulo Woulo has grown in both grade and contained metal, now reporting 1.6Moz @ 1.0g/t Au (previously 1.25Moz @ 0.9g/t Au). The Indicated portion continues to improve (+10%), underpinning our base-case production scenario.
- Resource growth is expected to continue at a low discovery cost (<US\$8/oz), with three drill rigs currently active across existing, advanced and new deposits.
- High-grade prospects like Begnopan were excluded from the current MRE, despite standout results such as 34m @ 3.44g/t Au from 65m, 8m @ 5.28g/t Au from 46m, and 15m @ 2.29g/t Au from 51m, all over a 2.5km strike.
- Regional targets such as Baffia, Herman, and Niamienlessa offer strong discovery potential, providing additional upside beyond the current growth pipeline.

Analysis

- This result reinforces TCG's position as one of the most attractive undeveloped gold assets on the ASX. We remain mindful of sovereign risk, but are comfortable with Cote D'Ivoire, one of the most stable and mining-friendly in West Africa.
- TCG remains attractively priced on a resource multiple basis, trading at approximately A\$99/oz, compared to the ASX pre-production African average of A\$109/oz. Its closest peer, Predictive Discovery (ASX: PDI), trades at A\$160/oz, albeit with a larger resource base of 5.5Moz @ 1.66g/t Au.
- With continued exploration success, we see a clear pathway for TCG to grow its resource base to 4–5Moz. Notably, TCG holds a granted Mining Licence, whereas PDI is still progressing through the permitting process and operates within the buffer zone of a Guinean national park.

Forecast and valuation update

- We forecast increased mineral inventory, maintain our average conversion across all deposits (~50%) and head grade (1.1g/t Au). We also lift our spot price scenario to US\$3,000/oz (previously US\$2,850/oz) and update our resource valuation.
- We reiterate our SPECULATIVE BUY rating, TP A\$1.29ps (previously A\$1.10).

Investment view

- TCG is our preferred small-mid gold pick for 2025. Afema is characteristic of a major belt-scale opportunity, capable of delivering over +5Moz in gold resources. Whilst we view exploration to drive the short to mid-term value, existing resources provide line of sight to a solid, cash generative future mining operation capable of delivering A\$260m-A\$400m EBITDA per annum (MorgansF-US\$2850/oz).

Price catalysts & Risks

- Catalysts: Commodity price, FX, resource growth, exploration, M&A, studies, production.
- Risks: Commodity price, FX, jurisdictional risk, financing risk and operational risks.

Turaco Gold

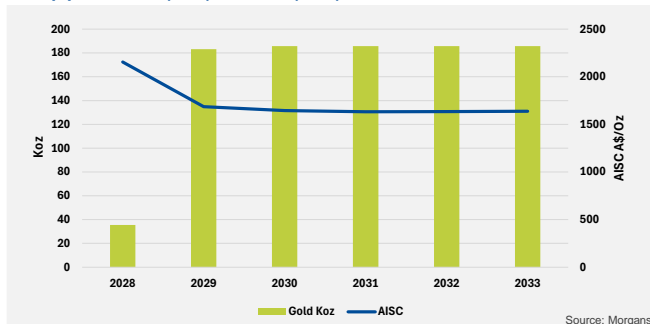
SPECULATIVE BUY

as at May 5, 2025

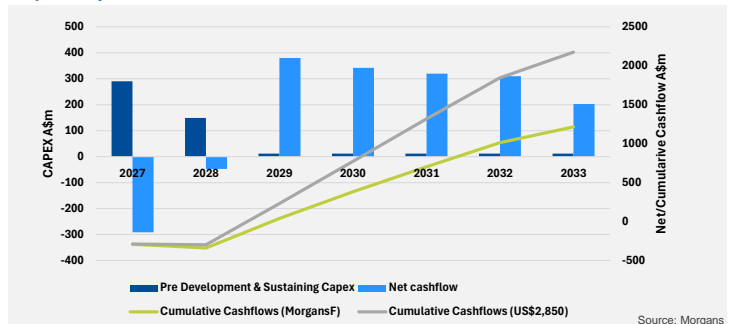
Price (A\$):	0.44	12-month target price (A\$):	1.29
Market cap (A\$m):	381	Up/downside to target price (%):	193.2
Free float (%):	80	Dividend yield (%):	0.0
Index inclusion:	ALL ORDINARIES	12-month TSR (%):	193.2

Turaco Gold Limited (ASX:TCG) is an ASX listed gold exploration company with its focus on developing the Afema Gold Project in southern Cote d'Ivoire, West Africa. Turaco acquired the Afema Gold Project in March 2024 and quickly delineated and announced a maiden JORC resource estimate of 2.52Moz of gold in August 2024. Turaco is targeting an updated JORC resource estimate and expects a material increase to the 2.52Moz maiden estimate and highlight the Afema Gold Project to be one of the most significant undeveloped gold projects in West Africa. The Afema Project is on a granted mining permit, supported by a Mining Convention with the State of Cote d'Ivoire, covering an area of 227km², with contiguous granted exploration permits covering a further 813km² and application rights over another 593km² providing a total contiguous project area of over 1,600km².

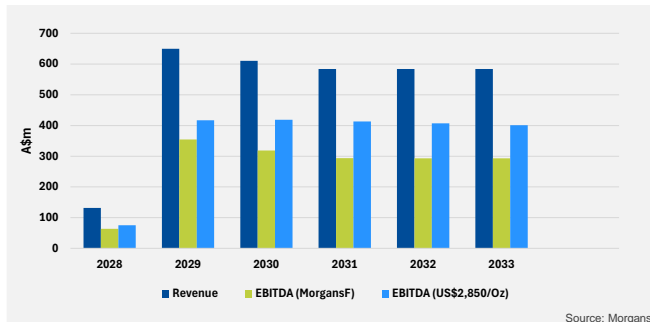
Group production (LHS) vs costs (RHS)



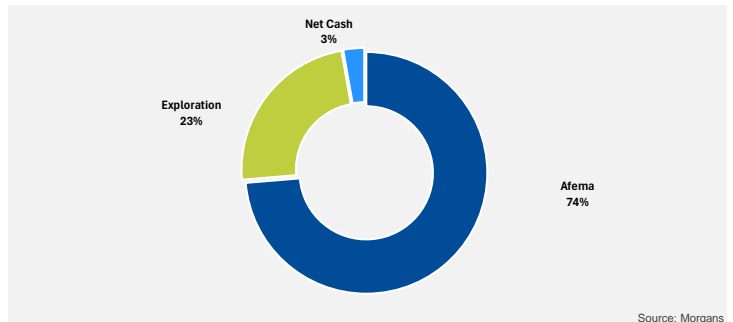
Capital Payback & Cashflow



Group Revenue & EBITDA (A\$m)



Operations - Unrisked valuation breakdown



Bull points



World Class Terrain - Afema captures the extensions of the world class Sefwi-Bibiani and the Asankrangwa Gold Belts (+20moz) whilst in the premier jurisdiction of Cote D'Ivoire proximal to low cost hydropower.

Mining Scenario Already Supported - TCG have derived a 2.52Moz resource less than a year from acquisition, which is already indicative of supporting a hypothetical mining scenario - derisked by further metallurgical and infill drilling.

Untapped Potential - The maiden MRE is composed of only 3 of +15 known fertile prospects across the existing mining license which remain open with promising intercepts outside of the current MRE boundaries. More broadly the +1,600km² exploration package remains underexplored with initial reconnaissance delivering results indicative of material resource potential.

Bear points



USD Exposure - A significant amount of capital and operating costs in Cote D'Ivoire are denominated in USD. Therefore in a scenario where the AUD weakens relative to USD, the implied funding is greater.

Metallurgical Risk - Although early testwork suggests Afema is amenable to well understood, commercial processing methods, further metallurgical testwork is required at a belt scale level to fully unlock belt scale potential.

Regulatory Risk - Cote D'Ivoire is the premier gold mining jurisdiction in Africa, backed by almost 2 decades of consistent stability. We note there is precedent across several African nations to increase a) government royalties and/or b) government free carry interest.

Environmental, Social and Governance



Exposure

At all times all Turaco employees and contractors comply with all applicable environmental, health and safety laws and regulations when fulfilling their duties. As the success of the project development and operation will largely depend on the local community's trust and support, all employees of the Company shall be committed to understanding and respecting the community and contributing to its sustainable development

Management

The Board of Turaco Gold monitors the business affairs of the Company to protect the rights and interests of its shareholders. The Board believes that high standards of Corporate Governance are essential for creating sustainable value for shareholders.

Source: TCG, Morgans

Figure 1: Financial summary

Profit & Loss - A\$m						Price Assumptions					
	Dec-25F	Dec-26F	Dec-27F	Dec-28F	Dec-29F		Dec-25F	Dec-26F	Dec-27F	Dec-28F	Dec-29F
Sales revenue	-	-	-	132	649	Australian dollar (AUD/USD)	0.64	0.65	0.69	0.70	0.70
Other revenue	-	-	-	-	-	Gold price assumptions (US\$/ounce)	2,793	2,950	2,750	2,600	2,483
Underlying EBITDA	-14	-5	-4	62	354						
Other costs	-	-	-	-	-						
EBITDA	-14	-5	-4	62	354						
D&A	-	-	-	-15	-79						
EBIT	-14	-5	-4	47	276						
Net interest	1	1	-6	-13	-10						
PBT	-13	-4	-10	34	266						
Corporate tax	-	-	-	-	-						
Reported NPAT	-12	-4	-9	29	226						
Adjustments	-2	-1	-2	5	40						
Underlying NPAT	-14	-4	-10	34	266						
Balance Sheet - A\$m						Operations					
	Dec-25F	Dec-26F	Dec-27F	Dec-28F	Dec-29F		Dec-25F	Dec-26F	Dec-27F	Dec-28F	Dec-29F
Cash	22	18	143	38	202	Production					
Fixed assets	0	0	293	427	365	Kilotonnes (Kt)	-	-	-	1,300	5,500
Assets	31	27	444	473	576	Grade (g/t Au)	-	-	-	0.5	1.2
Debt	0	0	215	215	126	Gold production (koz)	-	-	-	35	183
Liabilities	0	0	215	215	127	Costs					
Equity	30	27	229	258	450	Group C1 Cash Cost (A\$/ounce)	-	-	-	805	1290
Net Debt / (Cash)	-22	-18	72	177	-76	Group AISC (A\$/ounce)	-	-	-	3,321	1,685
Cash Flow - A\$m						Key Metrics					
	Dec-25F	Dec-26F	Dec-27F	Dec-28F	Dec-29F		Dec-25F	Dec-26F	Dec-27F	Dec-28F	Dec-29F
Cash Flow from Operations	-13	-4	-10	49	305	EPS - underlying (UScps)	-1.0	-0.0	-0.0	0.0	0.2
Capex	0	0	-292	-149	-11	P/E ratio (x)	-	-	-	16.3	2.1
Cash Flow from Investing	0	0	-292	-149	-11	DPS (UScps)	-	-	-	-	-
Incr/(Decr) in Debt	0	0	215	0	-89	Dividend yield (%)	-	-	-	-	-
Free Carry (10%)	2	1	2	-5	-40	Div payout ratio (%)	-	-	-	-	-
Cash Flow from Financing	2	1	427	-5	-128	EBITDA margin (%)	-	-	-	47%	55%
Net Change in Cash	-11	-4	125	-105	165	EBIT margin (%)	-	-	-	35%	42%
Free Cash Flow	-12	-4	-301	-105	253	EV/EBITDA (x)	-	-	-	9.0	0.9
						EV/EBIT (x)	-	-	-	11.9	1.1
						FCF yield (%)	-	-	-	-27.6%	66.5%
						ROA (%)	-	-	-	7%	46%
						ROCE (%)	-	-	-	10%	48%
						Shares on issue (m shares)	902	1,117	1,117	1,117	1,117
Valuation Summary											
	A\$m	A\$ps		A\$m	A\$ps						
Afema (90% Risked)	684	0.75		1,278	1.41						
Total operating assets	684	0.75		1,278	1.41						
Corporate	-85	-0.09		-85	-0.09						
Resources	218	0.24		218	0.24						
Exploration	0	-		0	0.06						
Net cash/(debt)	26	0.03		26	0.03						
Total Valuation	843	0.93		1,492	1.65						
Target Price 50/50 (Base/Spot)					1.29						

Source: Morgans estimates, company data

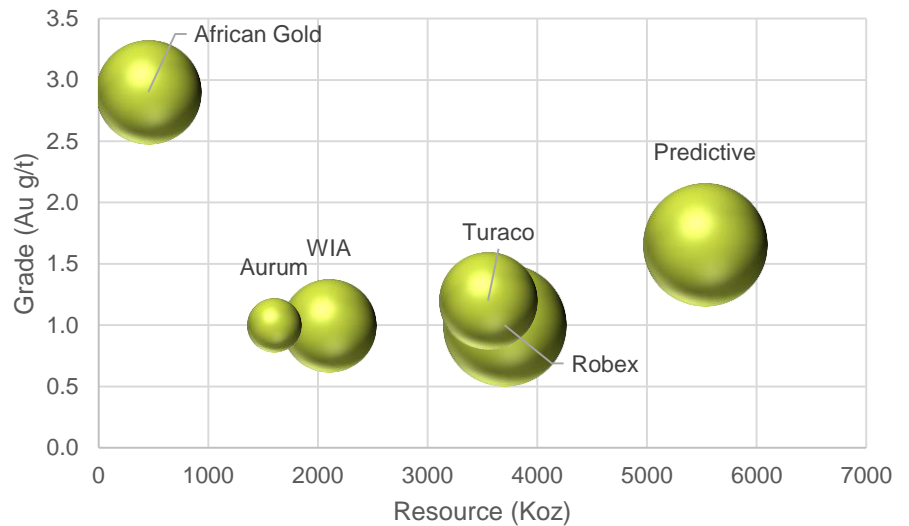
Figure 2: West African Peers Comparison - Overview

	Resource (Koz)	Grade (g/t Au)	EV/Resource (A\$/oz)	Country	Stage
Predictive Discovery	5528	1.7	160	Guinea	Studies
Robex Resources	3700	1.0	158	Guinea	Pre Production
African Gold	452	2.9	115	Ivory Coast	Exploration
Turaco Gold	3550	1.2	99	Ivory Coast	Advanced Exploration/Studies
WIA Gold	2100	1.0	91	Namibia	Studies
Aurum Resources	1600	1.0	31	Ivory Coast	Exploration

Source: Iress, company data

Immediate peer group sorted by highest EV/oz multiple – the case for Turaco to re-rate closer to PDI is strong.

Figure 3: West African Peers Comparison – Grade x EV/Resource x Resource



When accounting for grade, resource size and EV/Resource valuation – TCG lends itself to support when compared to peers.

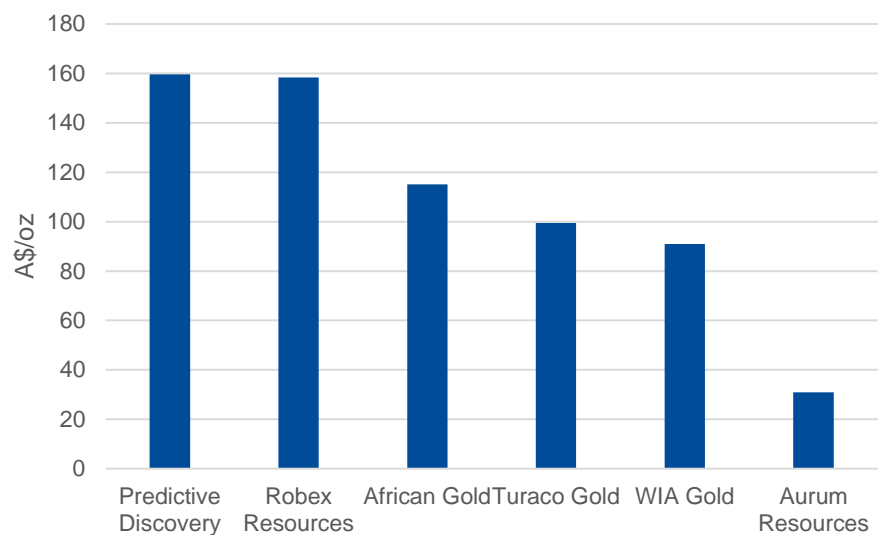
Bubble Size: EV/Resource

X Axis: Resource

Y Axis: Grade

Source: Iress, company data

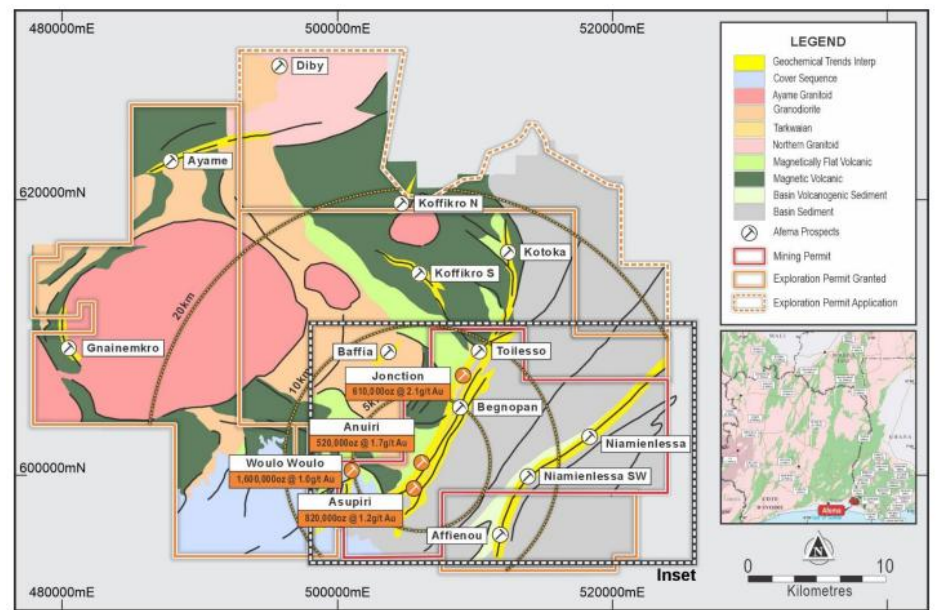
Figure 4: West African Peers Comparison – EV/Resource



Source: IRESS, company data

Figure 5: Afema Project Area

Afema Project Map



Source: TCG

Figure 6: TCG Resource Upgrade

Afema resources by deposit – now totalling 3.55Moz

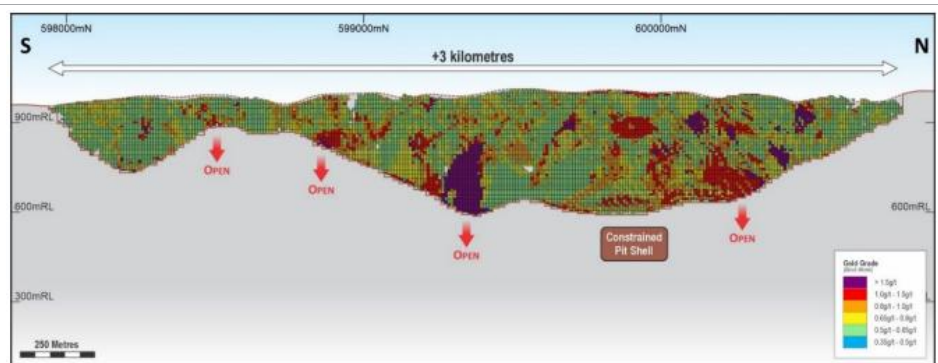
Afema Project JORC 2012 Mineral Resource Estimate			
Deposit	Tonnes	Gold Grade	Ounces ('000)
Woulo Woulo	50.9Mt	1.0g/t	1,600
Jonction	9.1Mt	2.1g/t	610
Anuiri	9.7Mt	1.7g/t	520
Asupiri	21.1Mt	1.2g/t	820
Total	90.8Mt	1.2g/t	3,550

Source: TCG

Figure 7: Afema: Woulo Woulo Block Model (long section)

Woulo Woulo has grown to 1.6Moz from 1.2Moz.

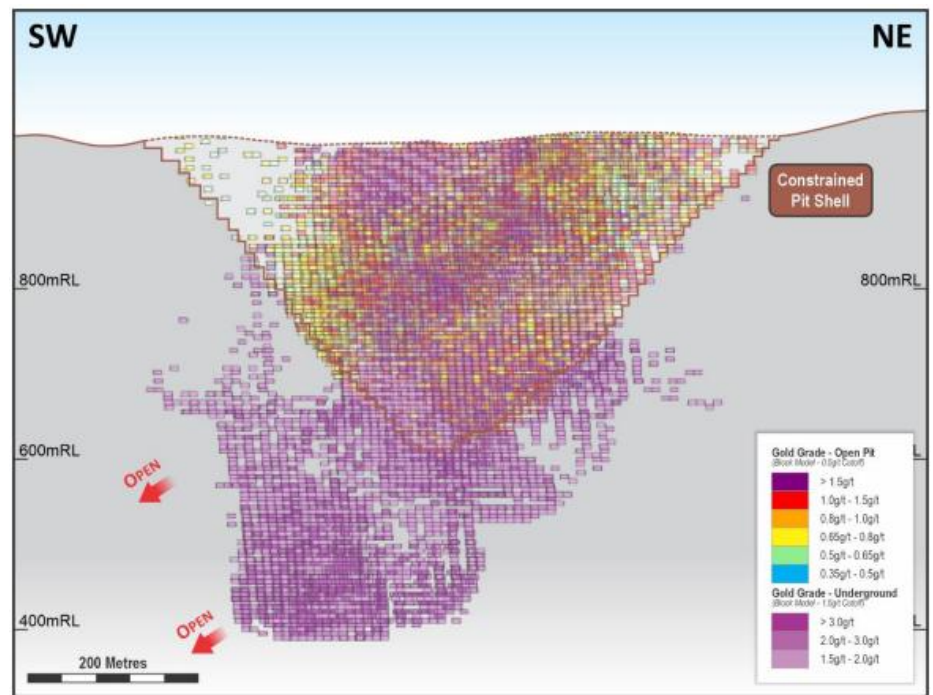
This section displays Woulo Woulo in long section and demonstrates scale.



Source: TCG

Figure 8: Afema: Junction Block Model (long section)

Junction measures 610koz, a slight reduction in ounces from the maiden MRE, but at a higher grade of 2.1g/t Au (previously 2g/t Au).

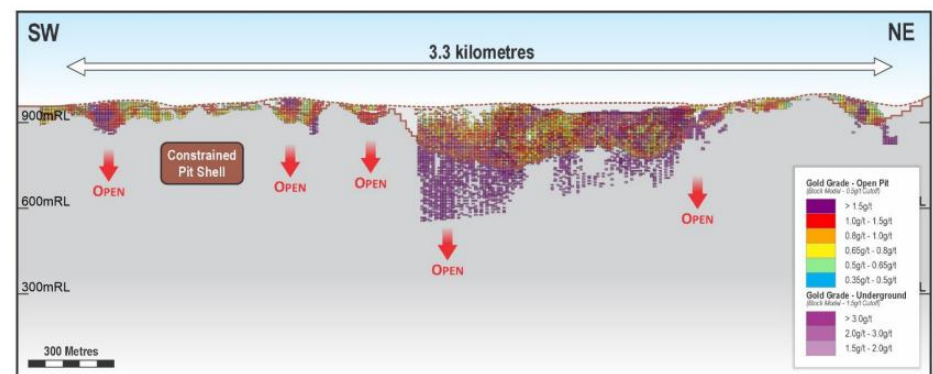


Source: TCG

Figure 9: Afema: Anuiri Block Model (long section)

Anuiri measures 520koz, a slight reduction in ounces from the maiden MRE, but at a higher grade of 1.7g/t Au (previously 1.6g/t Au).

Upside for resource extensions at depth is evident.



Source: TCG

Figure 10: Afema: Asupiri Block Model (long section)

Asupiri measures 820koz and was previously not included in the prior MRE.

Asupiri exhibits significant scale and strong potential upside.



Source: TCG



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