

Ticker: TCG AU
Market cap: A\$816m

3Q25: A\$76m
Price: A\$0.78/sh

Project: Afema
Country: Cote D'Ivoire

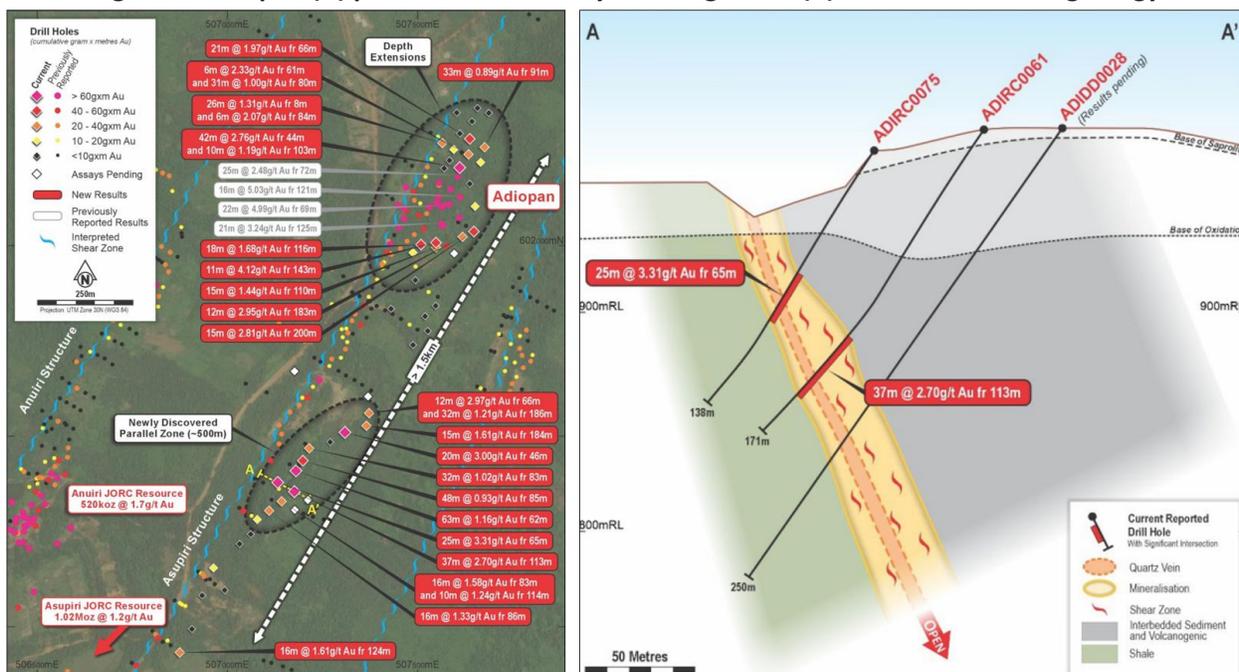
REC. (unc): BUY

TARGET (unc): A\$1.60/sh

RISK RATING (unc): SPECULATIVE

Today's drilling at Adiopian, with a new discovery in a parallel structure towards the southern end of Adiopian, shows excellent grade-thicknesses over ~500m of strike along each structure. We think Adiopian could be among the best shear-hosted deposits at Afema for grade and mining widths, and we see potential for 0.5-1Moz of additions into the coming 1Q26 MRE update, which we think will lift Afema's total resource above 5Moz. Even better, we think the mineable inventory could approach 3Moz, putting it up there with Bankan as a >200kozpa long life development asset in West Africa, and we think Afema's location in SE Cote D'Ivoire is among the best we've seen for a secure location with good logistics and infrastructure. Ahead of the PFS, we model a 2.3Moz at 1.2g/t reserve resulting in a 10-year, 200kozpa operation with 4Mtpa conventional + 2Mtpa flotation/fine grind, generating US\$2.3bnNPV_{5%-3600}. **We maintain our BUY rating and A\$1.60/sh PT based on 0.5x NAV5%-3,600 for Afema with a nominal US\$50m added for exploration and US\$100/oz outside of SCPe inventory (fully diluted and fully funded).** Turaco is one of our high conviction top picks: We expect this to be a 5Moz, 200kozpa project with permits early next year, and we see significant exploration potential beyond 5Moz given the continuity and grades they've consistently achieved along the Afema shear, and the 35km of strike at Afema with the MRE within just 7km of strike. West African M&A (Zijin buying Allied is the latest) suggests to us that Turaco will have significant competitive M&A tension over the next year as it completes studies and the ESIA (we expect DFS and permits by 1Q27).

Figure 1: Adiopian (A) plan view with today's drilling in red (B) cross section with geology



Source: Turaco Gold

Adiopian adds parallel structure, we see potential for another 0.5-1Moz ahead of Afema MRE

Today Turaco announced drill results at Adiopian. A total of 52 holes (35 RC, 17DD) across 8,579m were drilled following up on the five holes announced on October 8, 2025. Adiopian is located north of the Asupiri MRE with some of the near surface oxide ounces included in Asupiri's 1.0Moz at 1.2gt MRE. Drilling today was highlighted by RC43 42.0m @ 2.76g/t Au from 44m, RC61 37.0m @ 2.70g/t Au from 113m, and RC75 25.0m @ 3.31g/t Au from 65m. Averages from all hits was 10.4m @ 1.55g/t. Today's drilling extended strike by 1.5km while also discovering new, previously undrilled, parallel mineralized shears

along ~500m of strike according to Turaco. **Next steps:** Turaco announced commencement of a further update to the Afema MRE which will form the basis of the PFS which is guided to be advancing towards completion in 2Q26, pending receipt of five additional core holes. Current drilling activities are focused on exploration targeting new discoveries, with exploration drilling underway at the Baffia and Kotoka prospects. Furthermore, soil sampling and geophysics have generated a pipeline of drill targets.

Why we like Turaco

1. 4.1Moz at 1.2g/t MRE at Afema: we model 2.3Moz @ 1.2g/t supporting a 10-year, 200kozpa operation with 4Mtpa conventional + 2Mtpa flotation/fine grind
2. Tier 1 location on the Sefwi-Bibiani belt near major deposits, with road access, nearby hydropower, low resettlement risk, and growth upside along shear zones
3. Rapid development, skipping PEA, with DFS and permits targeted by 1Q27
4. Attractive free-milling core of 1.6Moz @ 1.0g/t at Woulo Woulo; fine grind + CIL testwork yields 85–95% recoveries

Catalysts

- 1Q26: JORC Afema Project MRE update
- 2Q26: PFS
- 2H26: ESIA submission
- 1Q27: DFS
- 2H28: SCPe Production

Research

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Ticker: TCG AU	Price / mkt cap: A\$0.78/sh, A\$816m	Market P/NAV: 0.22x	Assets: Afema
Authors: J Chan	Rec / 0.5x NAV: BUY / A\$1.60	1xNAVFD: C\$3.18/sh	Country: Cote D'Ivoire

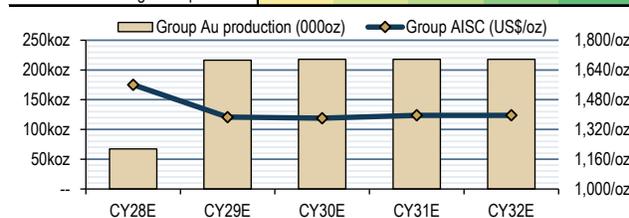
Group-level SOTP valuation	1Q26		FD	
	US\$m	O/ship	NAVx	A\$/sh
Afema NPV 1Q26	2,292	100%	1.00x	3.10
Exploration	50	80%	1.00x	0.05
Central SG&A & fin costs 1Q26	(56)	-	1.00x	(0.08)
Resources outside SCPe mine plans (\$100/oz)	222	100%	1.00x	0.30
3Q25 Cash	51	-	1.00x	0.07
ITM Options	1	-	1.00x	0.00
1xNAV5% US\$3600/oz - FD pre build	2,560		1.00x	3.50
Assumed build equity issuance	160	-	1.00x	0.13
0.5xNAV5% US\$3600/oz - Fully Funded	2,720		0.50x	1.60

1xNAV sensitivity to gold price and discount / NAV multiple					
1xNAV asset (US\$m)	\$2600oz	\$3100oz	\$3600oz	\$4300oz	\$5000oz
8% discount	985	1,442	1,901	2,553	3,190
7% discount	1,052	1,536	2,021	2,710	3,385
6% discount	1,125	1,638	2,151	2,881	3,595
5% discount	1,203	1,747	2,292	3,065	3,823
Valuation (C\$/sh)	\$2600oz	\$3100oz	\$3600oz	\$4300oz	\$5000oz
0.40xNAV	0.76	1.02	1.28	1.64	2.00
0.50xNAV	0.95	1.27	1.60	2.06	2.51
0.60xNAV	1.14	1.53	1.91	2.47	3.01

Sources and uses of cash			
Sources	US\$m	Uses	US\$m
Build Capex (US\$m)	US\$378m	Cash + ITM options	US\$52m
G&A + fin. cost to production (US\$m)	US\$10m	Debt package (US\$m)	US\$183m
Working capital (US\$m)	US\$42m	Equity raised (US\$m)	US\$160m
Less spent capex	US\$0m		
Total uses (US\$m)	US\$430m	Total sources (US\$m)	US\$394m
Total contingency buffer (US\$m)	-US\$36m		

Valuation over time	Today	2026E	2027E	2028E	2029E
Afema NPV (US\$m)	2,514	3,406	3,925	4,187	3,697
Cntrl G&A & fin costs (US\$m)	(56)	(56)	(56)	(56)	16
Resources outside mine plan (US\$m)	222	222	222	222	222
Net cash at 1Q + ITM options (US\$m)	52	42	(39)	(89)	479
1xNAV (US\$m)	2,732	3,615	4,053	4,264	4,414
1xNAV share px FD + FF (A\$/sh)	3.50	4.89	4.77	5.02	5.20
P/NAV (x):	0.22x	0.16x	0.16x	0.15x	0.15x
ROI to equity holder (% pa)	352%	531%	148%	86%	61%

Geared company A\$ 1xNAVPS diluted for mine build, net G&A and interest					
1Q25 1xNAV FF FD (C\$/sh)^	\$2600oz	\$3100oz	\$3600oz	\$4300oz	\$5000oz
9.0% discount	0.78	1.03	1.29	1.65	2.00
7.0% discount	0.85	1.14	1.43	1.83	2.23
5.0% discount	0.95	1.27	1.60	2.06	2.51
1Q25 1xNAV FF FD (C\$/sh)^	\$2600oz	\$3100oz	\$3600oz	\$4300oz	\$5000oz
20% increase in cost per tonne	0.83	1.16	1.49	1.95	2.40
10% increase in cost per tonne	0.89	1.22	1.55	2.00	2.45
0% increase in cost per tonne	0.95	1.27	1.60	2.06	2.51
-10% increase in cost per tonne	1.00	1.33	1.65	2.11	2.56
1Q25 1xNAV FF FD (C\$/sh)^	\$2600oz	\$3100oz	\$3600oz	\$4300oz	\$5000oz
20.0% change in capex	0.88	1.21	1.54	1.99	2.45
10.0% change in capex	0.91	1.24	1.57	2.02	2.47
0.0% change in capex	0.95	1.27	1.60	2.06	2.51
-10.0% change in capex	0.98	1.30	1.63	2.08	2.54



Production (100%)	CY28E	CY29E	CY30E	CY31E	CY32E
Group Au production (000oz)	67	217	218	218	218
Group cash cost (US\$/oz)	1,099	958	952	968	968
Group AISC (US\$/oz)	1,560	1,386	1,380	1,396	1,396

Source: SCP estimates

Resource / Reserve	Mt	Moz	EV/oz
Measured, ind. & inf.	102.9	4.06	122
Mine inventory (SCPe)	62.1	2.34	234

Share data

Basic shares (m): 1052.8 FD shares (m): 1102.7 FD + FF 1267.4

Commodity price	CY25E	CY26E	CY27E	CY28E	CY29E
Gold price (US\$/oz)	3,444	4,050	3,800	3,600	3,600
Ratio analysis	CY25E	CY26E	CY27E	CY28E	CY29E
FD shares out (m)	1102.7	1102.7	1267.4	1267.4	1267.4
EPS (A\$/sh)	(0.001)	(0.001)	(0.001)	0.080	0.117
CFPS before w/c (A\$/sh)	(0.02)	(0.00)	(0.00)	0.09	0.51
FCFPS pre growth (A\$/sh)	(0.02)	(0.01)	(0.09)	0.10	0.52
FCF/sh (A\$/sh)	(0.03)	(0.03)	(0.28)	0.01	0.52
FCF per oz (A\$/sh)	-	-	-	1,976	3,041
FCF yield - pre growth (%)	(4%)	(2%)	(18%)	20%	100%
FCF yield (%)	(6%)	(5%)	(53%)	2%	100%
EBITDA margin (%)	(2421%)	-	-	58%	63%
FCF margin (%)	(2805%)	-	-	4%	57%
ROA (%)	(22%)	(4%)	(1%)	23%	52%
ROE (%)	(22%)	(4%)	(1%)	33%	54%
ROCE (%)	(26%)	(5%)	(2%)	37%	59%
EV (A\$m)	745	773	982	1,032	464
PER (x)	(896)	(777)	(690)	9.3x	6.4x
P/CF (x)	(30)	(204)	(282)	4.8x	1.4x
EV/EBITDA (x)	(26)	(150)	(190)	4.9x	0.6x

Income statement

	CY25E	CY26E	CY27E	CY28E	CY29E
Revenue (A\$m)	1	--	--	360	1,160
COGS (A\$m)	--	--	--	(140)	(407)
Gross profit (A\$m)	1	--	--	219	753
G&A & central	(5)	(5)	(5)	(10)	(23)
Depreciation	--	--	--	(25)	(79)
Impairment & other (A\$m)	--	--	--	--	--
Net finance costs (A\$m)	4	1	2	(20)	(2)
Tax (A\$m)	--	--	--	--	--
Minority interest (A\$m)	--	--	--	--	(51)
Net income attr. (A\$m)	0	(4)	(4)	165	597
EBITDA	(29)	(5)	(5)	210	730

Cash flow

	CY25E	CY26E	CY27E	CY28E	CY29E
Profit/(loss) after tax (A\$m)	(19)	(4)	(4)	165	597
Add non-cash items (A\$m)	(8)	--	0	32	79
Less wkg cap / other (A\$m)	(0)	--	--	(84)	(34)
Cash flow ops (A\$m)	(27)	(4)	(3)	113	642
PP&E (A\$m)	(6)	(24)	(348)	(180)	(18)
Other (A\$m)	3	--	--	--	--
Cash flow inv. (A\$m)	(4)	(24)	(348)	(180)	(18)
Debt draw (repayment) (A\$m)	--	--	96	68	(171)
Equity issuance (A\$m)	60	--	239	--	--
Other (A\$m)	--	--	--	--	--
Cash flow fin. (A\$m)	60	--	335	68	(171)
Net change post forex (A\$m)	30	(28)	(17)	(0)	453
FCF (A\$m)	(33)	(28)	(352)	(68)	624

Balance sheet

	CY25E	CY26E	CY27E	CY28E	CY29E
Cash (A\$m)	69	42	25	25	478
Accounts receivable (A\$m)	0	0	0	82	116
Inventories (A\$m)	--	--	--	40	50
PPE & exploration (A\$m)	3	27	375	531	469
Other (A\$m)	38	38	38	38	38
Total assets (A\$m)	111	107	439	716	1,153
Debt (A\$m)	--	--	96	171	--
Other liabilities (A\$m)	3	3	3	40	51
Shareholders equity (A\$m)	216	216	455	455	455
Retained earnings (A\$m)	(104)	(108)	(111)	53	650
Minority int. & other (A\$m)	(4)	(4)	(4)	(4)	(4)
Liabilities+equity (A\$m)	111	107	439	716	1,153
Net Cash	69	42	(71)	(146)	478
Net Debt to NTM EBITDA (x)	13.4x	8.0x	0.3x	0.2x	(0.6x)

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Summary of Recommendations as of January 2026	
BUY:	55
HOLD:	0
SELL:	0
UNDER REVIEW:	0
TENDER:	0
NOT RATED:	0
TOTAL	55

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