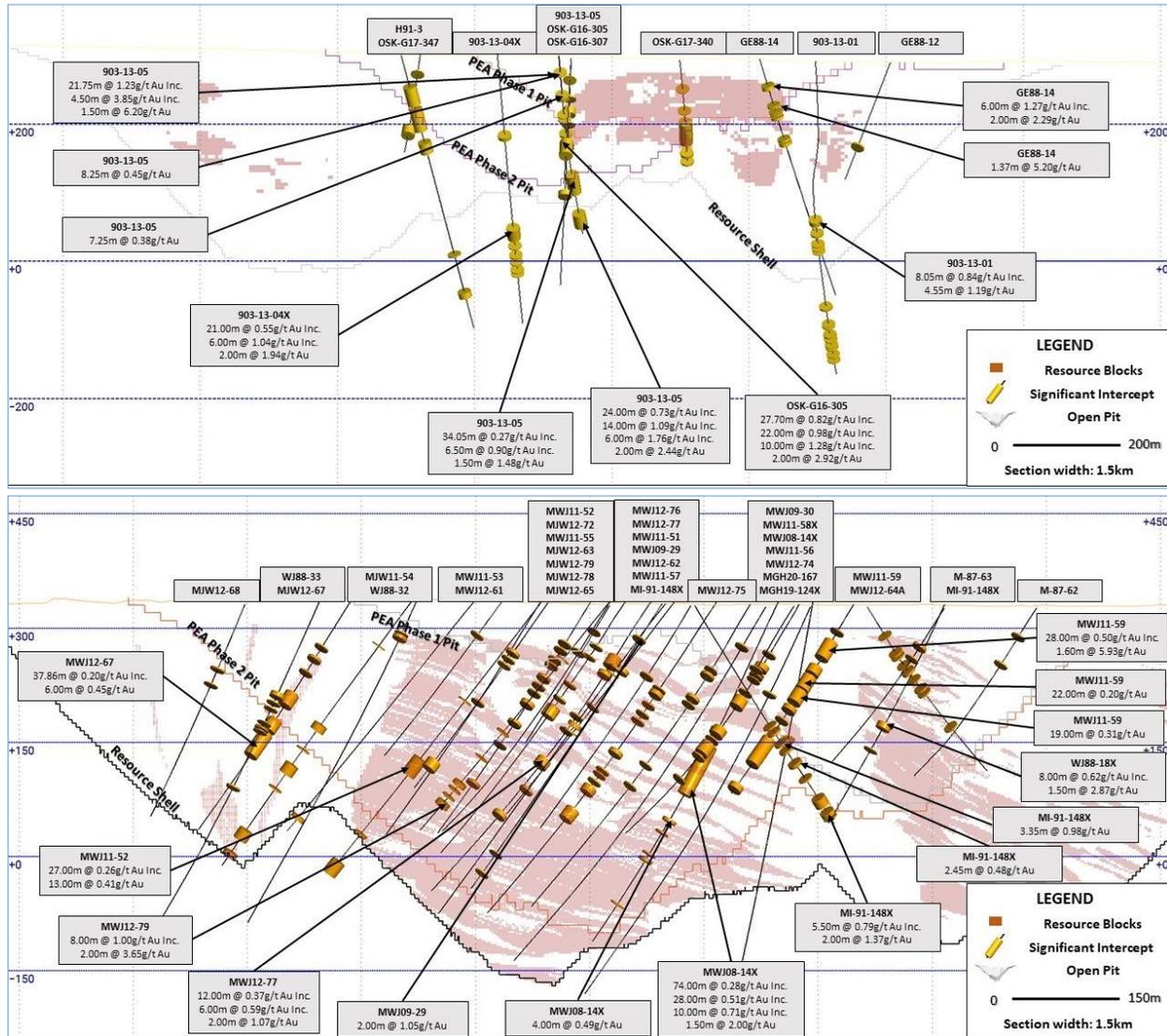


Figure 2. East-Southeast looking sections (A) 903 Zone and (B) Windjammer Central



Source: Moneta Gold

Why we like Moneta Gold

- Timmins developer with 12.8Moz @ 1.0g/t and still growing
- Garrison acquisition lifts scale, provides capital-friendly schedule
- PEA 200-300koz pa, on infrastructure to drive margin on pits, improved by UG operations

Catalysts

- CY23: Results from 190,000m infill / exploration drilling + historical core sampling
- 1Q24: PFS start for an integrated project / EIS

Research

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Ticker: ME CN	Price / mkt cap: C\$1.7/sh, C\$175m	Project PNAV today: 0.13x	Asset: Tower Gold
Author: B Gaspar	Rec / xNAV PT: BUY, C\$4.4/sh	1xNAV build start, FD: C\$13.37/sh	Country: Canada, ON

Commodity price	CY20A	CY21A	CY22E	CY23E	CY24E
Gold price	1,770	1,773	1,715	1,663	1,700

SOTP project valuation*

	C\$m	O/ship	NAVx	C\$/sh
Tower Gold proj @ 2025 build start	1,362	100%	0.30x	3.83
Cash 3Q22	14	100%	1.00x	0.14
Cash from options	7	100%	1.00x	0.07
5.9Moz resource ex inventory @ US\$5/oz	40	100%	1.00x	0.38
Asset NAV5% US\$1700/oz	1,424		PT:	4.42

*Diluted for options but not mine build Market P/NAV5%₂₀₂₂ 0.13x

Asset value: 1xNPV project @ build start (C\$m, ungeared)*

Project NPV (C\$m)*	\$1500oz	\$1600oz	\$1700oz	\$1800oz	\$1900oz
10.0% discount	479	646	809	971	1,131
7.5% discount	650	849	1,042	1,235	1,425
5.0% discount	883	1,126	1,362	1,595	1,826
Ungeared project IRR:	0%	0%	0%	0%	0%
0.25xNAV PT (C\$/sh) *	\$1500oz	\$1600oz	\$1700oz	\$1800oz	\$1900oz
10.0% discount	1.93	2.40	2.86	3.32	3.77
7.5% discount	2.41	2.97	3.52	4.06	4.60
5.0% discount	3.07	3.76	4.42	5.08	5.73

*Project level NPV, excl finance costs and central SGA, discounted to build start

Share data

	Basic	FD	FF FD
Basic in issue (m)	102.7	106.5	154.6

Group valuation over time^

	Jan-23	Jan-24	Jan-25	Jan-26	Jan-27
Tower Gold Project NPV (C\$m)	1,149.8	1,211.8	1,272.5	1,654.7	2,039.4
G&A and finance costs (C\$m)	(160.9)	(141.7)	(135.6)	(141.0)	(120.1)
Net cash prior qtr (C\$m)	4.4	9.1	297.6	(18.6)	(245.0)
Cash from options (C\$m)	7.4	7.4	7.4	7.4	7.4
Resource ex reserve (C\$m)	40.4	40.4	40.4	40.4	40.4
NAV FF FD (C\$m)	1,041	1,127	1,482	1,543	1,722
Shares in issue (m)	102.7	102.7	154.6	154.6	154.6
1xNAV5%/sh FF FD (C\$/sh)	10.14	10.98	9.59	9.98	11.14

Equity ROI from spot (% pa) 80% 60%

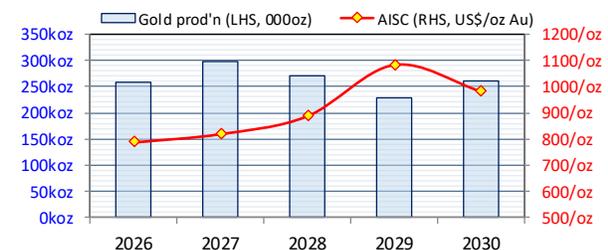
Geared company NAV diluted for mine build, net G&A and finance costs

4Q25 1xNAV FF FD (C\$/sh)^	\$1500oz	\$1600oz	\$1700oz	\$1800oz	\$1900oz
10.0% discount	683	863	1,038	1,212	1,384
7.5% discount	837	1,047	1,252	1,455	1,656
5.0% discount	1,047	1,299	1,543	1,785	2,025
Geared project IRR:	0%	0%	0%	0%	0%
4Q25 1xNAV FF FD (C\$/sh)^	\$1500oz	\$1600oz	\$1700oz	\$1800oz	\$1900oz
10.0% discount	2.93	4.25	5.61	7.02	8.45
7.5% discount	4.13	5.77	7.43	9.14	10.86
5.0% discount	5.85	7.92	9.98	12.08	14.19

^Project NPV incl grp SG&A & fin. cost, +net cash; *diluted for mine build equity

Production	2026	2027	2028	2029	2030
Gold production (000oz)	259	298	270	230	261
C1 cost (US\$/oz)	669	710	773	948	864
AISC cost (US\$/oz)	788	820	888	1,083	982

AISC = C1 + ug sustaining capex, Y1 = CY26



Source: SCP estimates

3Q22 MRE Tower Gold	Au (koz)	Au (g/t)
M&I	4,460koz	0.92g/t
Inferred	8,292koz	1.09g/t
Global resource	12,752koz	1.03g/t

3Q22 PEA Tower Gold	Au (koz)	Au (g/t)
PEA OP inventory	4,103koz	0.81g/t
PEA UG inventory	907koz	3.42g/t
SCPe pitable outside inventory:	5,852koz	
SCPe underground outside inventory:	899koz	

Funding: uses	Funding: sources
Mine build capex	C\$517m
SCPe G&A to 1st Au	C\$16m
SCPe pre-production expl'n	C\$31m
SCPe fin. costs + wkg cap	C\$30m
Total uses	C\$594m

Cash 3Q22	C\$14m
DFS / Mine build equity (C\$m)	C\$257m
Build debt @ 60% of PP&E (C\$m)	C\$310m
Total proceeds	C\$581m
Buffer	-C\$13m

Ratio analysis

	CY20A	CY21A	CY22E	CY23E	CY24E
Average shares out (m)	322.2	294.9	97.9	102.7	154.6
EPS (C\$/sh)	-	-	-	-	-
CFPS (C\$/sh)	-	-	-	-	-
EV (C\$m)	541.9	488.0	162.0	132.9	196.4
FCF yield (%)	-	-	-	-	-
PER (x)	-	-	-	-	-
P/CF (x)	-	-	-	-	-
EV/EBITDA (x)	-	-	-	-	-

Income statement

	CY20A	CY21A	CY22E	CY23E	CY24E
Net revenue (C\$m)	-	-	-	-	-
COGS (C\$m)	0.3	-	-	-	-
Gross profit (C\$m)	(0.3)	-	-	-	-
D&A, attrib (C\$m)	-	-	-	-	-
Group G&A (C\$m)	1.2	2.2	3.1	7.1	4.0
Finance cost (C\$m)	-	-	(0.1)	(0.0)	3.2
Taxes (C\$m)	-	-	-	-	-

Net income (C\$m) (1.5) (2.2) (3.1) (7.1) (7.2)

EBITDA (C\$m) (4.6) (13.5) (19.8) (47.4) (5.2)

Cash flow, attrib.

	CY20A	CY21A	CY22E	CY23E	CY24E
EBIT (C\$m)	(1.5)	(2.2)	(3.1)	(7.1)	(4.0)
Add back D&A (C\$m)	-	-	-	-	-
Less tax (C\$m)	-	-	(0.1)	(0.0)	3.2
Change in wkg cap (C\$m)	(1.7)	(0.2)	1.4	0.8	0.0
Add back other (C\$m)	(4.2)	(12.0)	(22.1)	(27.2)	(6.4)
Cash flow ops (C\$m)	(7.4)	(14.5)	(23.9)	(33.4)	(7.2)
PP&E - build + sust. (C\$m)	-	(0.6)	(0.3)	-	(225.0)
PP&E - expl'n (C\$m)	(0.0)	(1.5)	(0.1)	-	-
Cash flow inv. (C\$m)	(0.0)	(2.1)	(0.4)	-	(225.0)

Share issue (C\$m) 6.1 23.4 15.4 50.0 256.8

Debt draw (repay) (C\$m) - - - - 160.0

Cash flow fin. (C\$m) **6.1** **23.4** **15.4** **50.0** **416.8**

Net change in cash (C\$m) (1.3) 6.8 (8.9) 16.6 184.6

Balance sheet

	CY20A	CY21A	CY22E	CY23E	CY24E
Cash (C\$m)	5.9	13.3	4.4	41.7	226.3
Acc rec., inv, prepaid (C\$m)	0.2	0.4	1.6	1.6	1.6
PP&E + other (C\$m)	2.2	54.9	55.3	55.3	280.1
Total assets (C\$m)	8.2	68.6	61.3	98.6	508.0
Debt (C\$m)	-	0.1	0.1	0.1	159.9
Accounts payable (C\$m)	1.1	1.3	0.9	0.9	0.9
Others (C\$m)	0.3	5.6	6.0	6.0	6.0
Total liabilities (C\$m)	1.4	6.9	7.0	7.0	166.9
Sh'hlds equity + wrmts (C\$m)	64.8	132.9	144.2	195.9	453.9
Retained earnings + rsvs (C\$m)	(58.0)	(71.1)	(89.9)	(104.3)	(112.7)
Liabilities + equity (C\$m)	8.2	68.6	61.3	98.6	508.0

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BUY:	52
HOLD:	1
SELL:	0
UNDER REVIEW:	1
TENDER:	0
NOT RATED:	0
TOTAL	54

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