

19 December 2024

Aurum Resources Limited (AUE) BUY Share Price: A\$0.33

Highest grade intercept to date at Boundiali Target Price: A\$0.59

AUE has reported new high grade gold intercepts from the Boundiali BM and BD tenements in Côte d'Ivoire. The results include 1.2m @ 277.5g/t Au from 31m depth: the highest grade intercept for the project to date. This is a new discovery made in shallow oxide material at BM Target 3, highlighting successful targeting by the exploration team. Results continue to demonstrate the emerging potential of the Boundiali project with a Maiden Resource Estimate expected by the end of this month. Additional Resource growth is expected in the Mar. Q'25 following completion of the Mako Gold (MKG) takeover. BUY with price target of A\$0.59/share (previously A\$0.63/share).

New high grade intercepts

- Best results from BM (80-88%) comprise:
 - 20m @ 1.6g/t Au from 60m (MBDD114)
 - 5m @ 2.8g/t Au from 82m (MBDD114)
 - 5m @ 3.1g/t Au from 91m (MBDD114)
 - 6m @ 3.8g/t Au from 98m (MBDD114)
 - 1m @ 72.8g/t Au from 38m (MBDD112)
 - 12m @ 2.1g/t Au from 43m (MBDD112)
 - 6m @ 4.5g/t Au from 56m (MBDD112)
 - 1.2m @ 277.5g/t Au from 31m (MBDD118)
- Best results from BD (80-88%) comprise:
 - 15.8m @ 1.7g/t Au from 121m (DSDD0110)
 - 5m @ 6.6g/t Au from 481m (DSDD0124)
 - 1m @ 75.0g/t Au from 269m (DSDD0124)
- True widths estimated at 70-80% of downhole width.
- Intersections indicate stacked parallel lodes exist.
- Further drilling is required to prove up the best zones and determine continuity, particularly at BM.

Financial Summary

- Valuation – A\$0.59/sh (spot A\$1.35/sh), based on 11yr mine life, 107kozpa @ AISC US\$1,117/oz from FY30.
- Cash ~A\$23.0M. Nil debt.

Key Dates Ahead

- Dec. Q'24 – Boundiali Maiden Resource Estimate.
- Dec. Q'24 – BST tenement drilling approval.
- Jan. 31st 2025 – MKG offer closes; AUE now at 71%.
- Mar. Q'25 – Boundiali Scoping Study & ML application.
- Jun. Q'25 – Boundiali Resource update.
- Dec. Q'25 – Boundiali PFS.
- Dec. Q'25 – Boundiali and Napie Resource update.

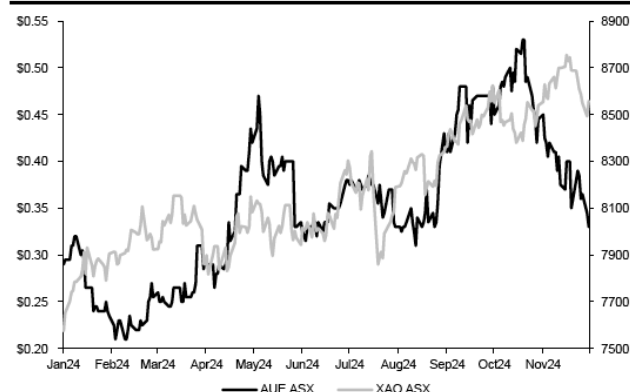
Company Data

Shares – ordinary (M)	231.2
Listed Options AUEO ex 22.5c (M)	7.3
Options / Performance Rights (M)	82.4
Total (fully diluted) (M)	320.8
Market capitalisation (\$M)	75.1
12 month low/high (\$)	0.20/ 0.55
Average monthly turnover (\$M)	9.6
GICS Industry	Metals & Mining

Financial Summary (fully diluted/normalised)

Year End Dec	FY28F	FY29F	FY30F	FY31F	FY32F
Revenue (\$M)	0.0	0.0	228.0	273.6	253.1
Costs (\$M)	4.0	4.0	139.5	153.7	152.4
EBITDA (\$M)	-4.0	-4.0	88.5	119.8	100.6
NPAT (A\$M)	-8.2	-15.1	46.2	71.3	60.6
EPS (cps)	-1.6	-3.0	9.1	14.0	11.9
EPS Growth (%)	54.3	84.5	>100	54.4	-15.0
PER (x)	na	na	3.6	2.3	2.7
Cashflow (A\$M)	-6.2	-13.1	77.3	99.0	76.9
CFPS (c/sh)	-1.2	-2.6	15.2	19.5	15.1
PCFPS	na	na	2.1	1.7	2.1
EV	223	341	273	183	116
EV/EBITDA	na	na	3.1	1.5	1.2
Payout ratio (%)	na	na	na	na	na
DPS	0.0	0.0	0.0	0.0	0.0
Yield (%)	0.0	0.0	0.0	0.0	0.0
Franking (%)	0.0	0.0	0.0	0.0	0.0

AUE – performance over one year



Disclosure and Disclaimer

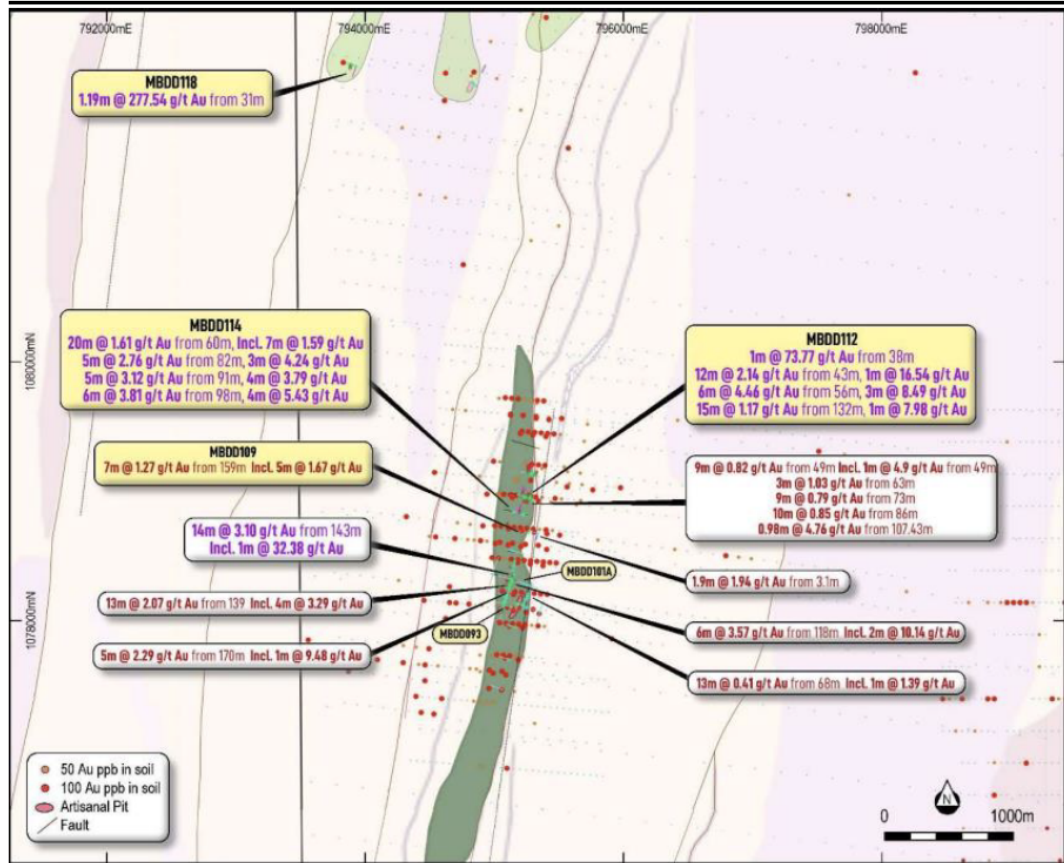
This report must be read with the disclosure and disclaimer on the final page of this document. Petra Capital was Joint Lead Manager for this company's placement to raise \$10.0m by way of a placement at A\$0.35/sh on 6th Dec. 2024, for which fees were received.

Andrew Richards
+61 2 9239 9600

New discovery at BM

Aurum has reported the highest grade intercept from the Boundiali project to date with 1.19m @ 277.54 g/t Au from 31m (hole MBDD118) at BM Target 3. The target was identified from field work by Aurum’s geologists including mapping and artisanal pit locations. Aurum’s Managing Director Dr. Caigen Wang states: “this discovery, made in shallow oxide material, is particularly exciting as it comes from one of the first holes drilled in a newly identified zone with three parallel structures NW of our drilling at BM Target 3.” Further drilling is planned to better define the new discovery.

Figure 1: BM Target 3 drilling plan (new significant results in yellow).



Source: AUE.

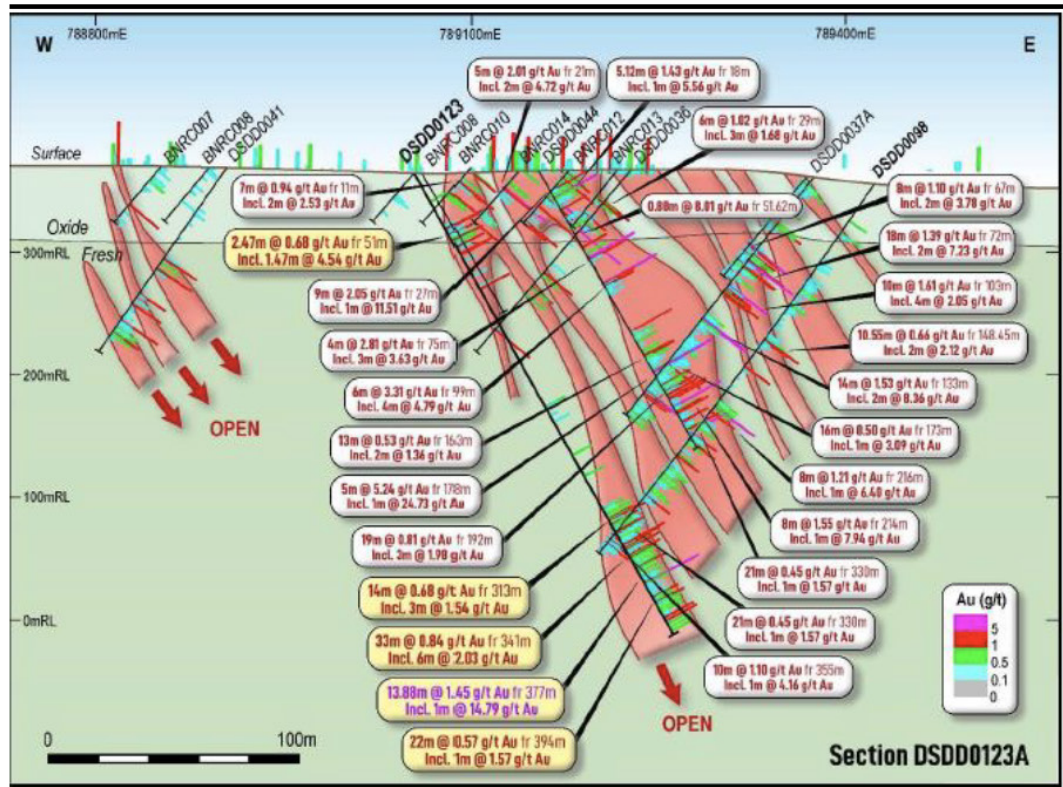
Maiden Resource update

Drilling results continue to demonstrate the emerging potential of the Boundiali Project, with AUE on track for the Maiden Resource Estimate by the end of this month. Assays from the latest drilling are being incorporated into the estimate. Mineralisation appears thicker and more continuous at the BD targets (Figures 2-3) compared to BM, with further drilling required at BM to prove up the best zones and determine continuity. We expect the majority of the Maiden Resource Estimate to come from the BD and BST (Nyangboue) tenements which are the most advanced in terms of drilling (Figure 4).

Mako Gold takeover

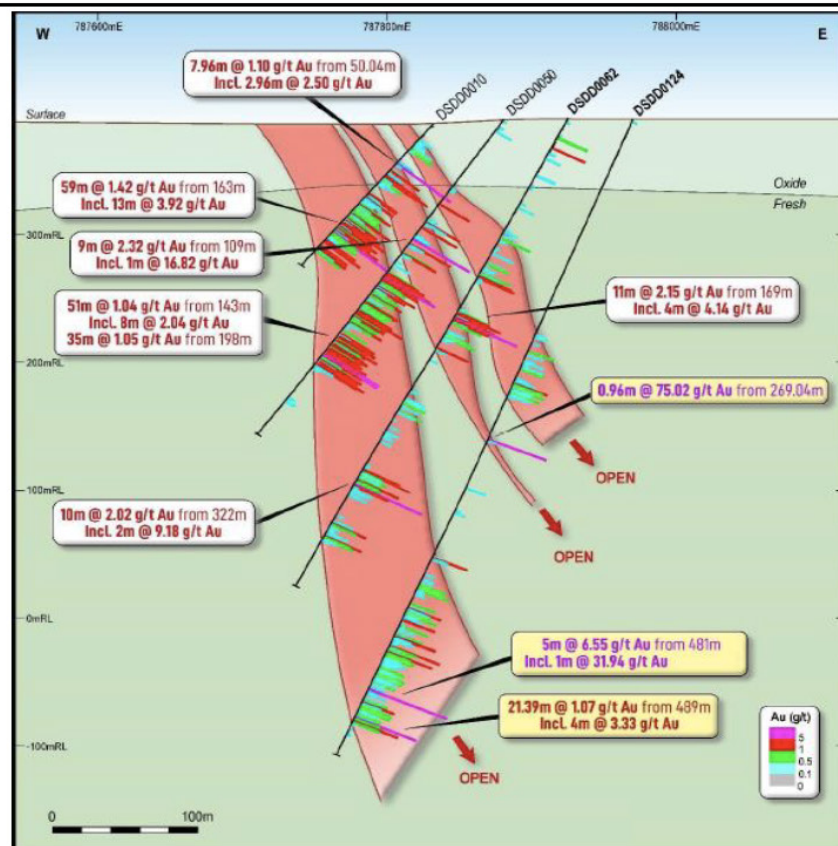
On 22 November 2024, AUE declared its takeover offer (1 AUE share for every 25.1 MKG shares) for all Mako shares unconditional and the offer will close at 7.00pm (Sydney time) on January 31st 2025 (unless extended). AUE management sees strong similarities between MKG’s Napie Gold Project (Figure 5 - 22.4Mt @ 1.2g/t Au for 868koz) and the 3.8Moz Abujar Gold Project (formerly Tietto, now owned by Zhaojin). AUE believes Napie has strong potential to quickly evolve into a multi-million ounce project given its shallow, open pittable resource which is open along strike and at depth.

Figure 2: Cross section of BD Target 2 (looking North)



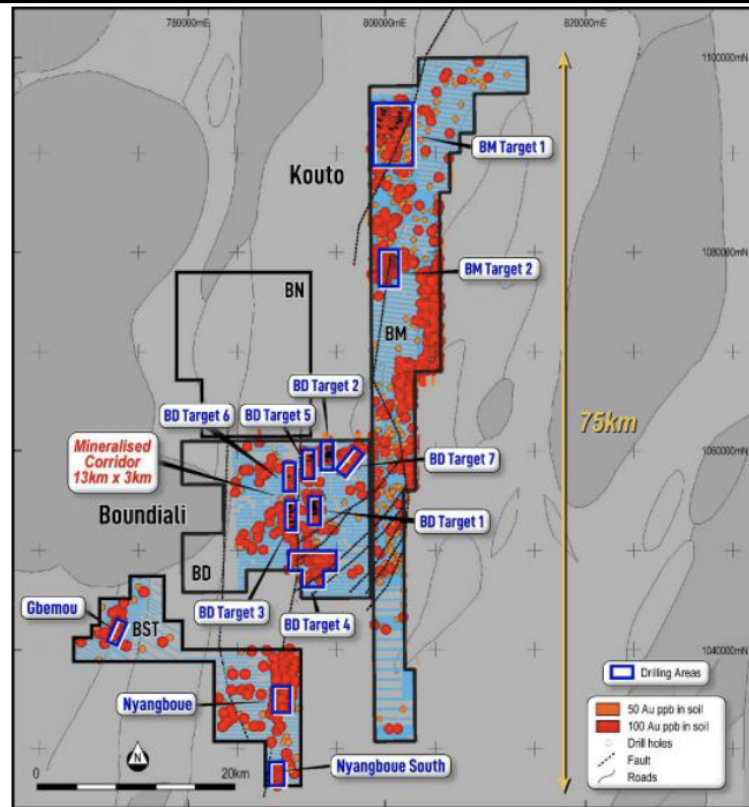
Source: AUE.

Figure 3: Cross section of BD Target 1 (looking North)



Source: AUE.

Figure 4: AUE's Boundiali exploration tenements and drilling targets



Source: AUE.

Figure 5: Location map of combined AUE (red) and MKG (blue) tenements

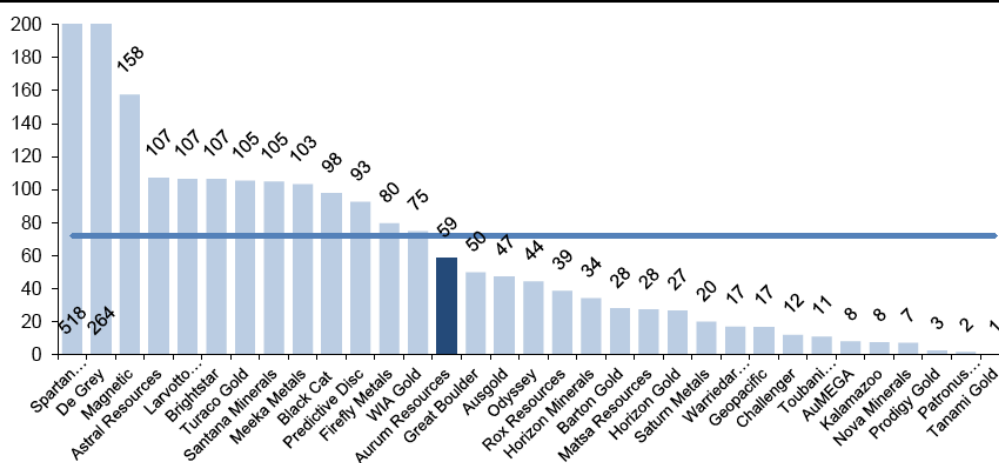


Source: AUE.

Peer Comps

We have incorporated the MKG takeover and assumed AUE will reach 100%. The acquisition brings the Napie Gold Project (90%) into AUE's portfolio, with 868koz of Inferred Resources. AUE is trading at an EV/Resource of A\$59/oz (Figure 6) which is a 22% discount to the peer average of A\$72/oz and a 78% discount to Côte d'Ivoire peer Turaco Gold at A\$105/oz. Assuming a Maiden Resource of 1Moz is delineated at Boundiali, AUE would be trading at an EV/Resource of just A\$28/oz.

Figure 6: ASX Gold Developers – EV/Resource (A\$/oz)



Source: Iress, Companies, compiled by Petra Capital.

Summary of Changes

- We have incorporated the A\$10M capital raise via 28.6M shares @ 35c/share (Dec. 2024).
- We have incorporated a successful Mako Gold (MKG) takeover with the addition of 50.1M shares and valued the attributable resources (781koz) at A\$50/oz.

Figure 7: Summary of Changes

		FY29F			FY30F			FY31F		
		New	Old	% var	New	Old	% var	New	Old	% var
Revenue	A\$M	0.0	0.0	na	228.0	228.0	0%	273.6	273.6	0%
Operating Costs	A\$M	4.0	4.0	0%	139.5	139.5	0%	153.7	153.7	0%
EBITDA	A\$M	-4.0	-4.0	0%	88.5	88.5	0%	119.8	119.8	0%
EBIT	A\$M	-6.0	-6.0	0%	72.8	72.8	0%	100.5	100.5	0%
NPAT	A\$M	-15.1	-15.2	-1%	46.2	46.1	0%	71.3	71.2	0%
EPS	A\$cps	-3.0	-3.6	-18%	9.1	11.0	-18%	14.0	17.0	-18%
DPS	A\$cps	0.0	0.0	na	0.0	0.0	na	0.0	0.0	na
Valuation	A\$M	298	265	12%						
Price Target	A\$/sh	0.59	0.63	-7%						
Shares Issued	M	231	153	52%						
Shares (fully diluted)	M	508	419	21%						
Ore Milled	Mt	0.0	0.0	na	2.5	2.5	0%	3.0	3.0	0%
Au Production	Koz	0.0	0.0	na	91	91	0%	109	109	0%
AISC	A\$/oz	0.0	0.0	na	1,737	1,737	0%	1,597	1,597	0%
Gold Price	A\$/oz	2,964	2,964	0%	2,857	2,857	0%	2,857	2,857	0%
Gold Price	US\$/oz	2,075	2,075	0%	2,000	2,000	0%	2,000	2,000	0%
AUD/USD	#	0.70	0.70	0%	0.70	0.70	0%	0.70	0.70	0%

Source: Petra Capital forecasts.

Petra Capital

Level 17, 14 Martin Place, Sydney NSW 2000 Office: +61 2 9239 9600
Level 5, 1 Collins Street, Melbourne VIC 3000 Office: +61 3 9123 3000

ABN 95 110 952 782
ACN 110 952 782
AFSL 317 944

Disclosure

This document has been prepared in Australia by Petra Capital Pty Ltd which holds an Australian Financial Services License AFSL 317 944. Petra Capital Pty Ltd is an ASX and Chi-X Market Participant. Petra Capital Pty Ltd and its associates, officers, directors, employees and agents, from time to time, may receive brokerage, commissions, fees or other benefits or advantages, hold securities in companies researched by Petra Capital Pty Ltd and may trade in these securities either as principal or agent. Petra Capital was Sole Lead Manager for this company's placement to raise \$17.0m by way of a placement at A\$0.33/sh on 11th June 2024, for which fees were received. Petra Capital was Joint Lead Manager for this company's placement to raise \$10.0m by way of a placement at A\$0.35/sh on 6th Dec. 2024, for which fees were received.

Disclaimer

The information or advice contained in this report has been obtained from sources that were accurate at the time of issue, however the information has not been independently verified and as such, Petra Capital Pty Ltd cannot warrant its accuracy or reliability. Persons relying on this information do so at their own risk. To the extent permitted by law, Petra Capital Pty Ltd disclaims all liability or responsibility for any direct or indirect loss or damage (including consequential loss or damage) caused by any error or omission within this report, or by persons relying on the contents of this report.

This report is published by Petra Capital Pty Ltd by way of general information or advice only. This report does not take into account specific investment needs or other considerations that may be pertinent to individual investors. Before making any investment decisions based on this report, parties should consider, with or without an investor adviser, whether any relevant part of this report is appropriate to their financial circumstances and investment objectives. Petra Capital Pty Ltd is a licensed institutional/wholesale stockbroking firm. The report is only intended for institutional and sophisticated clients to whom Petra Capital Pty Ltd has issued the report. Petra Capital Pty Ltd is not licensed to advise retail investors – retail investors should contact their own stockbroker or financial adviser/planner for advice.

Ratings

Information regarding the scope and expertise of our research services, processes for selection for coverage, and the management of conflicts of interest can be found on Petra Capital's website at <http://www.petracapital.com.au/research-disclosures>. Petra Capital uses the following ratings system and definitions: Buy - Forecast to re-rate by more than 5% in 12 months; Hold - Forecast to perform up to 5% above or below the current market price in 12 months, or alternatively, where a share price exceeds Petra Capital's valuation but there is a belief that business growth opportunities or commodity price moves, may result in material valuation and share price upside within 12 months; Sell - Forecast to underperform by more than 5% in 12 months; Speculative Buy - Speculative Investment; Take Profits - Recommend taking short term profits in a stock we remain fundamentally positive on a medium term view; Accept Offer - For a company under takeover where we see the offer as a fair price with low risk of a competing offer; No Rating - No rating at this time.

US Investors

This material is intended for use in the US only by major US Institutional Investors, as that term is defined by the SEC Rule 15a-6. Transactions with US Institutional Investors and major US Institutional Investors, as those terms are defined by SEC Rule 15a-6, are chaperoned by Global Alliance Securities, LLC, ("Global Alliance"), a SEC-registered broker-dealer and FINRA member (web: www.globalalliancesecurities.com) in accordance with the agreement between Global Alliance and Petra Capital Pty Ltd. The information upon which this material is based was obtained from sources believed to be reliable, but has not been independently verified. Therefore, its accuracy is not guaranteed. Additional and supporting information is available upon request. This is not an offer or solicitation of an offer to buy or sell any security or to make any investment. Any opinion or estimate constitutes the preparer's best judgement as of the date of preparation and is subject to change without notice. Petra Capital Pty Ltd or Global Alliance and their associates or affiliates, and their respective officers, directors and employees may buy or sell securities mentioned herein as agent or principal for their own account.

Canadian Investors

Petra Capital Pty Ltd is not registered as an adviser in Canada and is relying upon the international adviser exemption in British Columbia, Ontario and Quebec as permitted under National Instrument 31-103. Petra Capital is incorporated and headquartered in Australia and has an Australian Financial Services License. All its assets are situated outside Canada and, as a result, there may be difficulty enforcing any legal rights against Petra Capital. Its agents for service of process are: Lawdell Corporate Services Limited, 1600, 925 West Georgia Street, Vancouver, British Columbia V6C 3L2; ToryCo Services c/o Torys LLP, 79 Wellington Street West, Suite 3000, Toronto, Ontario, M5K 1N2; and Torys Law Firm LLP, 1 Place Ville Marie, Suite 2880, Montréal, Québec H3B 4R4.

Other International

International investors are encouraged to contact their local regulatory authorities to determine whether restrictions apply in buying/selling this investment.