

# Ocean Partners Backing; Recent Financing Strengthens ESGold's Fully Funded Path to 2026 Gold-Silver Production

Target Price: \$1.15

**Montauban de-risking and sales channel security.** The recently announced C\$9M pre-payment and working-capital facility with Ocean Partners UK Limited significantly enhances ESGold's financial strength and operational readiness. Ocean Partners, a globally recognized metals trading and finance group, has entered into a long-term sales channel agreement to purchase 100% of the gold and silver dore produced from Montauban. This agreement strengthens the balance sheet, secures a stable, long-term sales channel, and ensures that debt repayment is serviced through operating cash flow rather than equity dilution. The facility is structured in two tranches, C\$3M prior to Phase 1 production (expected February 2026), and C\$6M prior to Phase 2 (expected March 2027), which is subject to minimum deliveries of 50,000 oz of gold and 1,000,000 oz of silver. The inclusion of crown pillar material in the offtake contract represents a potential uplift in recoverable metal and revenue beyond the current 2025 PEA, and Ocean Partners' commitment underscores their confidence in the project's overall economic viability.

**Colombia validation and multi-jurisdictional growth.** Complementing the domestic progress, ESGold is aggressively executing its dual-track model by advancing its international expansion into Colombia's Bolívar region. Following the signing of a Memorandum of Understanding (MOU) on August 20, 2025, a geological and engineering team was mobilized to the Planta Magdalena Project for on-the-ground validation and due diligence, beginning on October 8, 2025. The field program aims to confirm historic high-grade tailings and evaluate the broader exploration upside in the Bolívar region, which is known for extensive artisanal gold production. Bulk samples from both the Montauban and Colombian sites have been sent to ALS Global for independent metallurgical testing to confirm gold and silver recoveries under ESGold's proprietary clean-processing framework. This validation phase, which also assesses site infrastructure and logistics, is the critical step toward converting the MOU into a definitive joint-venture agreement, positioning ESGold as a fully funded, scalable, multi-jurisdictional platform.

## Equity Research: Junior Gold-Silver Developer

ESGold Corp.		CSE:ESAU
(Currency is C\$ unless noted otherwise)		
Last Price		\$0.95
Target Price		\$1.15
Potential Return		21%
Net Asset Value / FD Share (8% Discount)		\$1.15
Capitalization	Basic	Diluted
Shares Outstanding (M)	90.5	115.8
Market Capitalization (\$M)	\$86.0	\$110.0
Enterprise Value (\$M)		\$75.1
Last Reported Cash Balance + Raise (\$M)		\$11.1
Last Reported Debt (\$M)		\$0.2
FYE: June 30	F2026E	F2027E
Forecasted Gold Price (US\$/oz)	\$3,600	\$3,600
Gold Equivalent Oz Production (GEO)	1,200	2,010
Total Cash Costs (US\$/GEO)	\$919	\$914
All-In Cash Costs (US\$/GEO)	\$2,575	\$1,710
Operating Cash Flow (\$M)	\$2.2	\$10.5
FCF (\$M)	-\$4.8	\$6.7
CAPEX (\$M)	\$3.3	\$5.7
EPS (FD)	\$0.00	\$0.06
CFPS (FD)	\$0.02	\$0.09
Cash At Year End (\$M)	\$10.6	\$16.3
Debt At Year End (\$M)	\$0.2	\$0.2

Website: [www.esgold.com](http://www.esgold.com) Sources: Company Reports, SEDAR Author: Patrick Smith  
DISCLOSURE CODE: (Please refer to the applicable disclosures listed on the back page)

## Upcoming Catalysts

- ✓ Q4/25 - Quebec/Colombia Bulk Sample Results & Recovery Data
- ✓ H2/25 - Ongoing 3D Geological Model Results to Refine Targets
- ✓ 25/26 - International Expansion Opportunity Updates
- ✓ 25/26 - Ongoing Startup and Updates
- ✓ H1/26 - Initial Tailings Production

### Valuation

We are maintaining our target on ESGold Corp. to a 12-month target price of \$1.15/share. Our target price is based on our project NPV of \$1.15/share, net of cash and future expenses, discounted at 8%. We have adjusted our financing expectations to include the newly closed \$8.0M financing, as well as the C\$9M pre-payment and working-capital facility.



Figure 1: Updated PEA to Previous Comparison

	2025 PEA	2023 PEA	Delta
Gold Price (US\$/oz)	\$2,900	\$1,750	66%
Silver Price (US\$/oz)	\$31.72	\$21.00	51%
Mica Price (US\$/t)	\$300	\$200	50%
C\$/US\$	1.45	1.35	7%
LOM Tonnes Processed	923,000	923,000	nil
Cost (C\$/t tailings Mined)	\$35.29	\$29.40	20%
Total LOM Revenue	\$104	\$62	67%
Capital Expenditures	\$16	\$16	nil
LOM Operating Cost	\$33	\$27	20%
Mine Life (Years)	4	4	nil
Gold/Silver Recovery	89.3%/77%	92%/77%	-3%/nil
NPV Post-Tax	\$24.3	\$7.0	247%
After-Tax IRR	60.3%	23.4%	158%

## Updated PEA

**ESGold Corp's updated Preliminary Economic Assessment (PEA) for its Montauban.** Released on September 4, 2025, marks a significant inflection point, confirming its transformation into a near-term production asset with highly favorable economics.

**The 2025 PEA showcases a dramatic improvement in key project metrics,** a direct result of updated, market-reflective commodity price assumptions (US\$2,900/oz Au and US\$31.72/oz Ag) and a weaker Canadian dollar. Compared to the 2023 PEA, the after-tax Net Present Value (NPV) surged by 247% to C\$24.3 million (up from C\$7.0 million), and the after-tax Internal Rate of Return (IRR) more than doubled to 60.3% (up from 23.4%). This robust economic outcome is supported by a 67% increase in total Life-of-Mine (LOM) revenue to C\$103.7M.

**The 2025 PEA for the Montauban project offers a comprehensive technical and financial validation of the company's strategy.** Its findings quantify the project's profitability and provide a clear, independently verified path from construction to operation. The project model has a 4-year mine life and a processing capacity of 1,000 tonnes per day (tpd), running 270 days per year. The economic analysis uses a discounted cash flow model with a 5% discount rate.

**The project's strategy, rooted in a unique "production-first" business model,** focuses on generating near-term cash flow from a low-risk, fully-permitted tailings resource. This cash flow will be reinvested into mill upgrades and the speculative exploration of the underlying hard-rock deposit.

## Construction & Production Timeline

**The transition from the 2023 PEA to the 2025 PEA is a fundamental de-risking event,** validating the company's strategic progression and positioning the project for more favorable financing terms. Construction at the fully permitted Montauban site is well underway, with building completion specifically anticipated by mid-Q4 2025. Key equipment, including the concentrate table and a refurbished ball mill, has been ordered and received. The project's strategic location right next to a road, only six minutes from the mill, simplifies logistics.

**Importantly, ESGold is now fully funded to complete Montauban construction,** thanks to its recent C\$8.0M financing and the C\$9M Ocean Partners facility. While the production timeline was revised from early Q4 to Q2/26, this change reflects a strategic decision to ensure a more robust and de-risked startup, prioritizing long-term operational stability.

**Meanwhile, the company is actively advancing its international expansion, with its geological and engineering team currently on the ground in Colombia** for due diligence at the Planta Magdalena Project. A key upcoming catalyst is the result of bulk sample testing for both the Montauban and Colombian materials, which are currently being analyzed at ALS Global to verify recoveries under ESGold's clean-processing framework. The successful completion of these two parallel workstreams, Montauban construction and Colombia validation, reinforces the company's strategy of delivering near-term cash flow while building a scalable, multi-jurisdictional platform.

## Upside Potential: Beyond 4 Years

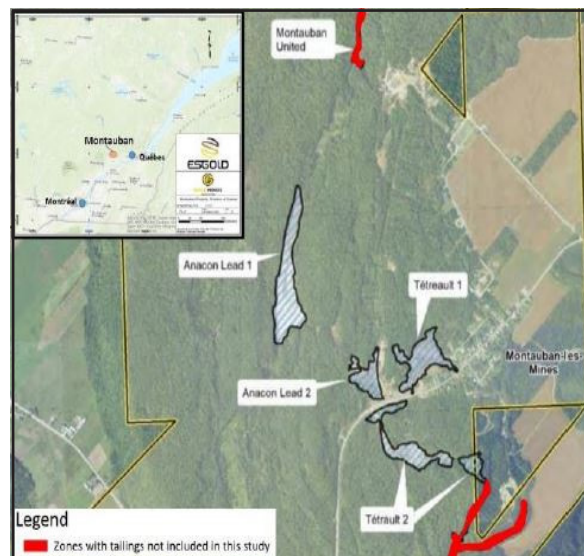
**The current four-year mine plan, while financially robust, represents only the baseline of the Montauban project's full potential.**

The project's most significant value lies in its layered growth strategy, which includes aggressive resource expansion and hard-rock exploration. The resource base is well-positioned for expansion beyond the current 923,000 tonnes of tailings, as historical production records suggest the current estimate only outlines a proportion of the total available tailings. The ongoing search and sampling for this additional material is a low-cost, high-impact initiative with the potential to significantly extend the project's mine life.

**The Montauban property also hosts a compelling historical hard-rock resource not included in the current PEA economics.** The key strategic advantage is the existence of the mill, as its infrastructure costs are already sunk. The company's strategy is to utilize cash flow generated from the low-risk tailings operation to fund the re-evaluation and potential mining of this hard-rock resource. The historic resource is known across two zones: the North zone with 274,500 tonnes grading 2.8 g/t Au and 15 g/t Ag (for 24,900 oz Au and 134,000 oz Ag), and the South zone with 123,530 tonnes grading 3.5 g/t Au and 56 g/t Ag (for 13,900 oz Au and 223,000 oz Ag).

**Beyond the known historic zones, the company is systematically working to unlock Montauban's district-scale potential.** Recent technical work, including the development of a comprehensive 3D geological model and new deep imaging, has identified large, continuous geological structures extending to 1,200 meters. This systematic exploration, which has never been conducted historically, will progress to include drilling designed to highlight the full scale and significance of the deposit, providing a blue-sky growth opportunity that complements the near-term cash flow strategy.

Figure 2: Four Tailings Zones (Black Outline) and Zones Not Included in PEA (Red)



Source: 2025 ESGold PEA

## Financing, Strategy & Capital Structure

On September 18, 2025, ESGold Corp. announced the closing of its Issuer Financing Exemption (LIFE) offering for \$8.0M. The Company's financial foundation has been significantly reinforced by two recent funding developments. This raise, priced at C\$0.75 per unit, included a common share and a three-year warrant (strike price C\$1.10) and is designed to fund the ongoing Montauban project advancement and general working capital.

This was followed by the announcement of a C\$9M pre-payment and working capital facility with Ocean Partners UK Limited. This non-dilutive facility significantly strengthens the balance sheet and secures a long-term sales channel, with Ocean Partners agreeing to purchase 100% of gold and silver dore production from Montauban. The agreement includes minimum deliveries of 50,000 oz gold and 1,000,000 oz silver and ensures that debt repayment is serviced through operating cash flow rather than equity dilution, further mitigating financing risk.

ESGold is focusing on a "production-first" business model, which reverses the traditional, high-risk junior mining approach. The strategy is to monetize a known, fully permitted tailings resource with low upfront capital expenditure, rather than relying on dilutive capital for extensive, speculative exploration. The financial model is further de-risked by C\$20 million in tax-loss carryforwards, which are expected to substantially offset taxable income during the first three years of production, providing non-dilutive capital for future mill upgrades.

While the PEA outlines an initial direct CAPEX of C\$17.44M, the C\$10.2M in combined funds raised to-date (prior to the Ocean Partners facility) were planned to build the mill to 500 tpd first. Operational cash flow generated from this initial tailings production is then anticipated to be used for the expansion to 1,000 tpd capacity. This staged approach circumvents the need to raise the full C\$17.4M upfront through larger, highly dilutive equity/debt offerings, allowing ESGold to rely on internal cash generation to fund a significant portion of its expansion.

**Strategic outlook: Dual-track execution.** Our internal financial models reflect the new PEA findings and have been adjusted for these recent capital developments. The projected commercial production timeline remains unchanged at Q2/26. Simultaneously, the Company is advancing its strategy with a technical team currently on the ground for validation at the Planta Magdalena Project in Colombia, which is a critical step toward establishing a scalable, multi-jurisdictional clean mining platform. This dual-track execution, fully funded construction at Montauban and validation of international growth, positions ESGold with both near-term cash flow generation and significant long-term growth potential.

Figure 3: Anacon Lead 1



Source: Company Reports

Figure 4: Tétrault 2



Source: Company Reports



## Appendix: Important Disclosures

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#### Investment Recommendation

Date and time of first dissemination: October 9, 2025

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Patrick Smith, the author of this report, currently owns options of ESGold.

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