P2 Gold

Scaling up

Processing rate increase from 9Mtpa to 12Mtpa

Metals and mining

14 July 2026

Since our initiation report in January, P2 has: reported three sets of drilling results from the Sullivan zone of its Gabbs Project in Nevada and six sets of drilling results from the Lucky Strike zone; secured and signed a definitive water rights agreement; successfully concluded an C$11.625m equity fund-raising; and announced its definitive feasibility study (DFS) is on track to be completed in Q426. It has also announced the Gabbs Project will proceed on the basis of a nominal production rate of 12Mtpa (cf 9Mtpa previously) to achieve production of c 150koz Au and 45–50Mlb Cu annually. Assuming an 18.8% increase in associated capex and a two-year reduction in the life of the mine, we estimate that this upscaling of the project will result in a 29.6% like-for-like increase in its NPV$_5$ to US$1,117.0m (or US$4.02/share). At current metals prices, this NPV$_5$ increases by a further 177.8% to US $3,102.6m (US$11.177 per P2 share).

Year end	Revenue (C $m)	PBT (C$m)	EPS (C$)	DPS (C$)	P/E (x)	Yield (%)
12/24	0.0	(2.6)	(0.02)	0.00	N/A	N/A
12/25e	0.0	(5.0)	(0.02)	0.00	N/A	N/A
12/26e	0.0	(21.6)	(0.08)	0.00	N/A	N/A
12/27e	0.0	(1.7)	(0.00)	0.00	N/A	N/A

Note: PBT and EPS are normalised, excluding amortisation of acquired intangibles and exceptional items.

Timeline to production

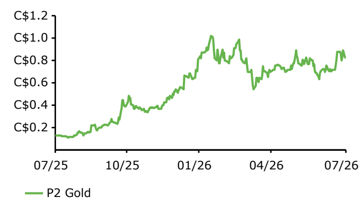
P2's plan is now to: 1) undertake and complete a full DFS of the Gabbs Project by Q426, 2) complete permitting between H226 and end-2027, 3) construct the project between H227 and H129 (implying completing financing in early 2027) and 4) achieve first production in H228 and commercial production shortly thereafter.

Valuation: Potentially into double figures

P2's existing PEA's NPV$_5$ of US$942.9m equates to a value of US$3.397 per P2 share currently in issue, to which its shares are trading at an 82.8% discount (ie it is trading at just 17.2% of project NPV$_5$). This is comparable to the average of 11.7% for companies with projects at PEA stage of development, but appears to take little account of the fact the project is located in the world's premier mining jurisdiction (according to the Fraser Institute) and is presided over by an experienced management team. It also ignores the fact that metals prices are materially higher now than those used in the updated Gabbs PEA (eg US$4,100/oz cf US$2,350/oz Au). Adjusting for P2's stage of development (PEA) and commerciality (in the form of its internal rate of return), as well as its jurisdiction, we calculate that a valuation in the range US$0.938–4.535/share is more appropriate (see Exhibit 17). On a similarly conservative basis, we estimate the company can still return dividends to shareholders with an NPV$_{10}$ of C$1.316/share based on a 12Mtpa processing rate, which represents a 41.7% increase on the C$0.929/share valuation that we calculated in January based on a 9Mtpa processing rate. However, this could rise to over C$4.00/share currently if management is able to leverage exploration investment to extend the life of its assets indefinitely and potentially into double figures if the current price of gold continues to increase at its historical long-term (real) rate of 4.1% per year (see Exhibit 19).

Price	**C$0.83**
Market cap	**C$231m**
	C$1.4235/US$
Net cash at 31 March 2026	C$9.5m
Shares in issue	277.6m
Code	PGLD
Primary exchange	TSXV
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	24.8	15.3	472.4
52-week high/low		C$1.0	C$0.1

Business description

P2 Gold is a precious metals and copper explorer managed by a team with a proven track record from Pretium. It is focused on advancing its 100%-owned, PEA-stage gold-copper Gabbs Project on the Walker-Lane Trend in Nevada.

Next events

Updated mineral resource estimate	September 2026
Feasibility study	Q426
Construction	H227–H129
Production	H228 onwards

Analyst

Lord Ashbourne +44 (0)20 3077 5700

mining@edisongroup.com

Edison profile page

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Recent developments

Since our last note in January, P2 has:

- Reported three sets of drilling results from the Sullivan zone of its Gabbs Project in Nevada, on 14 January, 4 February and 18 June.
- Reported six sets of drilling results for the Lucky Strike zone, on 18 February, 3 March, 8 April, 4 May, 20 May and 6 July.
- Secured and signed a definitive agreement regarding water rights in the area.
- Successfully concluded an equity fund-raising, originally conceived to be C$7.5m via the issue for 10m units (of one share and one warrant exercisable at C$1.50/share each), but later upscaled to C$11.625m via the issue of 15.5m units, of which 64.5% (ie 10m units) was subscribed for by the Quaternary Group.
- Announced that its feasibility study on the Gabbs Project will proceed using a nominal production rate of 12Mtpa (cf 9Mtpa previously), with heap leach production at 14Mtpa for the first two years and with the mill starting production in year three of the mine life to achieve production of c 150koz Au and 45–50Mlb Cu annually. P2 also confirmed that the feasibility study is on track to be completed in Q426.
- Announced results for Q425/FY25 and Q126.
- Presided over the issue of 11,180,000 shares, with a fair value of C$10.4m, in relation to the conversion of convertible debentures with an original principal amount of C$1.1m.

In general, exploration drill results demonstrated consistent gold-copper mineralisation and confirmed the mineral resource model for the Sullivan zone, while geotech drilling has confirmed that it remains open for expansion down-dip, with the result that P2 is continuing to test the limits of its boundaries. At Lucky Strike, results similarly confirm the mineral resource model, with the available drill data confirming that the ore controls are the same as for Sullivan where mineralisation is localised within and below a tabular unit of quartz monzonite underlain by pyroxenite. As with Sullivan, the higher-grade gold and copper at Lucky Strike is at the core of the zone and at restricted halos around sub-vertical structures. This mineralisation is gold dominant (with one interval of 1.52m in hole GBD-021 returning a grade of 183.0g/t Au and 4.0% Cu from a 73.15m downhole) and gives way to copper-gold mineralisation in the footwall of the main mineralised body. The discovery of the higher-grade core of gold-copper mineralisation in the western half of the zone has resulted in P2 devoting an additional 15,000m of reverse circulation (RC) to Lucky Strike, initially targeting this higher-grade core area to the north and the south. This is in keeping with its primary focus on the shallower mineralisation in the western half of the zone. Once the western half of Lucky Strike is well-defined, the focus of drilling will switch to expanding the mineralisation to the north-east and south-east. The results of this additional drilling are intended to be included in the Gabbs Project feasibility study mineral resource estimate. In the meantime, Geotech drilling has confirmed that the zone remains open in all directions.

Of all the recent newsflow however, the most immediately consequential was the announcement, on 11 May, that the feasibility study for Gabbs will proceed using a nominal production rate of 12Mtpa (cf 9Mtpa previously), with heap leach production at 14Mtpa for the first two years of operation and with the mill starting in year three of the mine life (cf year six previously). This 33.3% capacity increase addresses significant optimisation opportunities identified in the 2025 Gabbs preliminary economic assessment (PEA) and is based on the evaluation of multiple mining scenarios. The salient points of the new mining and processing plan are as follows:

- The crushing circuit will comprise two 7Mtpa, three-stage crushing trains, with high-pressure grinding rollers used for the third stage.
- During years one and two of operations, the heap leach facility will operate at a rate of 14Mtpa.
- From year three of operations until the end of the life of the mine, the mill facility will operate at a rate of 7Mtpa in parallel with the heap leach facility operating at 5–7Mtpa.

The increased operating rate in the first two years will provide increased cash flow to pay back capital costs and increase stripping of the oxide mineralisation, with minimal to no stockpiling and re-handling.

The twin 7Mtpa crushing trains will provide the increased crushing capacity required for the first two years of operations and from year three will provide flexibility to dedicate one train primarily to the mill circuit and the other (or both) to the heap leach facility as required. In addition, by operating identical 7Mtpa crushing trains, P2 will simplify maintenance, spare parts inventory and operator training and procedures, which is expected to result in a cost saving over the life of the mine.

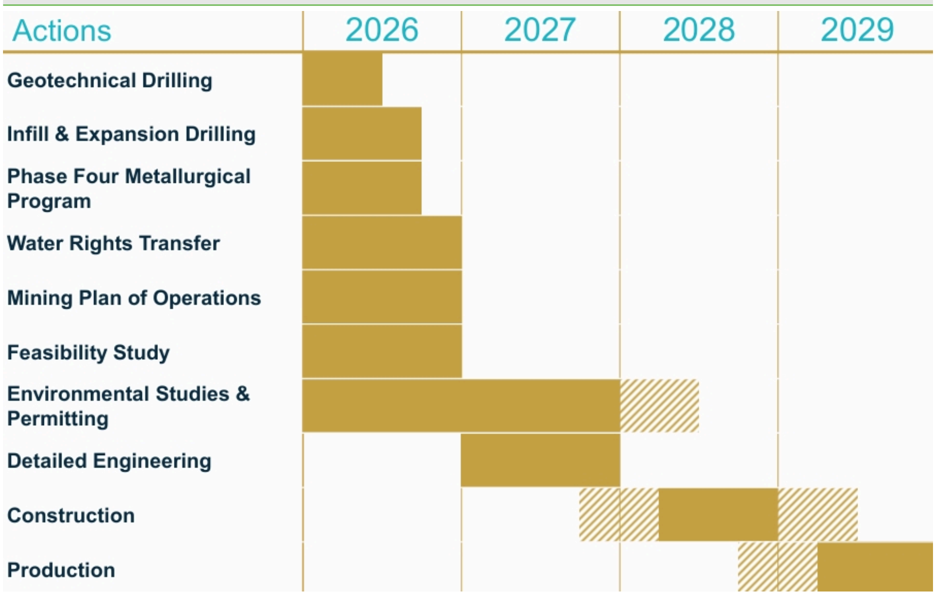
Development, developmental timelines and milestones

P2 has confirmed that its Gabbs feasibility study is on track for completion in Q426. Thereafter (and as shown in the Gantt chart below), its timeline to bring the property into production is to:

- Complete permitting between H226 and end-2027.
- Construct the project between H227 and H129 (implying completing financing in early 2027).
- Achieve first production in H228 and commercial production shortly thereafter.

Note that, to all intents and purposes, these timelines remain unchanged relative to those at the time of our initiation note in January.

Exhibit 1: Gabbs planned developmental schedule, timelines and milestones



Source: P2 Gold

Gabbs preliminary economic assessments in 2024 and 2025

In 2024, P2 contracted Kappes, Cassiday & Associates, Welsh Hagan Associates and P&E to prepare an NI 43-101 compliant PEA on the Gabbs Project, including an updated mineral resource estimate based on 547 drill hole records. The report envisaged a joint heap leach and mill/float operation and was conducted on a constant Q224 US dollar basis at a gold price of US$1,950/oz and a copper price of US$4.50/lb (US$9,921/t). It was signed off in July 2024 and effective from May 2024. The mineral resource effective date was April 2024. Its salient features were as follows:

- A pit constrained resource of 2.0Moz Au and 864.1Mlb Cu contained within 112.2Mt at average grades of 0.38g/t Au and 0.24% Cu (split 31%:69% indicated:inferred by tonnage) at a cut-off of 0.27g/t AuE for oxide material and 0.36g/t AuE for sulphide material.
- Nominal throughput of 9.0Mtpa for 14.2 years to produce an average 104koz Au and 13kt Cu per year at an average life of mine stripping ratio of 3.19.
- Total operating costs of US$19.24 per tonne of ore processed, which translated into cash costs on a by-product basis of US$493/oz and an all-in sustaining cost (AISC) of US$1,234/oz.

- Initial capital costs of US$380m (including working capital), total life of mine capital costs of US$851m and closure costs of US$56m.
- A pre-tax internal rate of return (IRR) of 23.1%, a post-tax NPV_5 of US$550m and a pay-back period of three years.

In October 2025, the PEA was updated. The mine plan was left unchanged from the May 2024 PEA. However, metal process recoveries were improved to reflect the results of P2's ongoing metallurgical programme. In addition, mining operating costs were increased by c 1%, mining capital costs (both initial and sustaining) by 7.25%, processing operating costs by 14% and processing capital costs by 2%. In deference to price moves in the metals markets, the October 2025 PEA was conducted at updated base case precious metals prices. However, sensitivities were run at the May 2024 PEA's metals prices and at spot prices in order to provide comparison and context for the update.

A comparison of the May 2024 PEA and the October 2025 PEA is provided in Exhibit 2, below. In addition to the changes in metals prices, readers' attention is drawn to the change in production (a function of improved metallurgical recoveries), modest capital cost increases and slightly higher AISC cost increases (which rise with royalties and therefore also metals prices).

Exhibit 2: Comparison of October 2025 PEA with May 2024 Gabbs PEA

Study		2024 PEA	2025 PEA	Change	2025 PEA	2025 vs 2024	2024 PEA	2025 PEA	Change	2025 spot prices vs 2025 base case
Assumption		Base case	2024 base case metal prices	(%)	Base case	Base case vs base case (%)	Spot prices*	Spot prices*	(%)	(%)
Gold price	US$/oz	1,950	1,950	0.0	2,350	20.5	3,885	3,885	0.0	65.3
Silver price	US$/oz	25.00	25.00	0.0	29.00	16.0	47.92	47.92	0.0	65.2
Copper price	US$/lb	4.50	4.50	0.0	4.50	0.0	4.81	4.81	0.0	6.9
Copper price	US$/t	9,921	9,921	0.0	9,921	0.0	10,604	10,604	0.0	6.9
Gold recovery	%	84	85.0-94.5	6.8	85.0-94.5	6.8	84	85.0-94.5	6.8	0.0
Silver recovery	%	47	67.0-79.9	56.3	67.0-79.9	56.3	47	67.0-79.9	56.3	0.0
Copper recovery	%	64	60.0-50.0	(14.1)	60.0-50.0	(14.1)	64	60.0-50.0	(14.1)	0.0
LOM Au production	koz	1,472	1,547	5.1	1,547	5.1	1,472	1,547	5.1	0.0
LOM Ag production	koz	2,058	2,481	20.6	2,481	20.6	2,058	2,481	20.6	0.0
LOM Cu production	kt	190	213	12.1	213	12.1	190	213	12.1	0.0
Average annual gold production	koz	104	109	4.8	109	4.8	104	109	4.8	0.0
Average annual silver production	koz	146	175	19.9	175	19.9	146	175	19.9	0.0
Average annual copper production	kt	13	15	15.4	15	15.4	13	15	15.4	0.0
Net revenue	US$bn	4.6	5.0	8.7	5.6	21.6	7.6	8.2	7.3	45.7
Total operating costs	US$/t ore	19.24	21.00	9.1	21.00	9.1	19.24	21.00	9.1	0.0
AISC (by-product basis)	(US$/oz)	1,234	1,208	(2.1)	1,284	4.1	1,546	1,509	(2.4)	17.5
Initial capex	(US$m)	378	383	1.2	383	1.2	378	383	1.2	0.0
LOM capex	(US$m)	851	886	4.1	886	4.1	851	886	4.1	0.0
Closure costs	(US$m)	56	56	0.7	56	0.7	56	56	0.7	0.0
Post tax NPV (5%)	US$m	550	618	12.4	943	71.4	2,089	2,253	7.9	138.9
Pre-tax IRR	%	23.1	26.0	12.6	38.9	68.4	86.6	92.9	7.3	138.8

Source: P2 Gold, Edison Investment Research. Note: *As at 3 October 2025.

For the purposes of our initiation note (Bonum pretium, published on 8 January 2026), Edison built a mirror model of the Gabbs Project on the basis of the information supplied in P2's May 2024 and October 2025 PEAs. A summary of the similarities and differences between the two (based on both P2's assumptions and Edison's at the time of our initiation note in January) is provided in the table below:

Exhibit 3: Gabbs PEA study results compared to Edison model

Production data	Units	PEA	Edison*	Variance (% and pp)	Edison**	Variance (% and pp)
Life of mine	Years	14.2	13.9	(1.9)	13.9	(1.9)
Throughput rate	ktpa	9,000	9,000	0.0	9,000	0
Gold grade	g/t	0.43	0.43	1.1	0.43	1.1
Silver grade	g/t	1.09	1.09	0.1	1.09	0.1
Copper grade	%	0.24	0.24	(1.7)	0.24	(1.7)
Life of mine stripping ratio		3.19	3.19	(0.1)	3.19	(0.1)
Gold produced	oz	1,547,000	1,546,638	(0.0)	1,546,638	(0.0)
Silver produced	oz	2,481,000	2,471,992	(0.4)	2,471,992	(0.4)
Copper produced	t	213,000	213,035	0.0	213,035	0.0
Gold price	US$/oz	2,350	2,350	0.0	1,852	(21.2)
Silver price	US$/oz	29.00	29.00	0.0	32.00	10.3
Copper price	US$/t	9,922	9,922	0.0	10,584	6.7
Total operating cost	US$/t	21.00	20.68	(1.5)	20.68	(1.5)
Initial capex	US$m	382.7	382.7	(0.0)	382.7	(0.0)
Sustaining capex	US$m	502.9	502.9	(0.0)	502.9	(0.0)
Closure costs	US$m	56.4	56.4	0.0	56.4	0.0
Pre-tax IRR (%)	%	38.9	28.1	(10.8)	19.4	(19.5)
Post-tax NPV(5%)	US$m	942.9	861.9	(8.6)	554.9	(41.1)

Source: P2 Gold, Edison Investment Research. Note: Real 2025 US dollar terms. *Edison model with P2 Gold input assumptions. **Edison model with Edison input assumptions.

In comparing Edison's model with P2's PEA results (using P2 Gold input assumptions), it is notable that Edison's NPV_5 and IRR are slightly lower, which is likely to be the result of the treatment of working capital and salvage value. Whereas the PEA assumed an initial roll up of US$14.7m in working capital, which was then released in years 5 and 15 of production, Edison calculated working capital on the basis of 30 creditor days, 30 debtor days and 30 inventory days. This (Edison) treatment resulted in an initial c CS$50m being consumed in working capital. This then varied over the life of the mine, but was effectively only released in the final two years of operation, when revenues and operating costs were declining. In addition, the PEA assumed a recovery of salvage value of the plant and, in particular, the mining fleet in two tranches of US$32.9m in the final two years of the operation's life, whereas Edison assumed none.

Evolution from 9Mtpa to 12Mtpa

In order to reflect the planned upscaling of the feasibility study from 9Mtpa to 12Mtpa and the advancement of the mill from year six to year three, Edison has made the following alterations to its financial model of P2:

- We have advanced capex relating to the mill by three years and increased 93.0% of capital expenditure by 18.8% to reflect the 33.3% capacity increase, according to the six-tenths rule (which is a standard engineering empirical heuristic that asserts that costs scale non-linearly with capacity and is used to estimate the capital cost of a new piece of equipment or facility when its capacity differs from that of a known model).
- The mining schedule and waste mining schedule has been increased similarly by 33.3% per year, pro rata with the assumed processing rate increase.
- We have advanced production from the mill to start in year 3, but only to achieve full-scale production in year 4 (two years earlier than previously expected).
- Gold, copper and silver (sulphide) grades for years 4 and 5 have been assumed to be at the average grade of the prior mining schedule before reverting to those of the prior plan in year 6 (note that this is a relatively conservative treatment).
- The mine life is assumed to end two years earlier, in year 13 (cf year 15 previously).
- High metallurgical recoveries in the final two years of operations have been retained.
- We have adjusted metals prices from real 2025 US dollar terms to real 2026 US dollar terms.

All other assumptions (including mining and processing unit costs, in particular, and the taxation regime) remain unchanged.

The immediate effect of these changes is a 14.2% increase in the processing inventory of the project, albeit at essentially the same grades:

Exhibit 4: Prior PEA and current (assumed) processing inventory cf resources

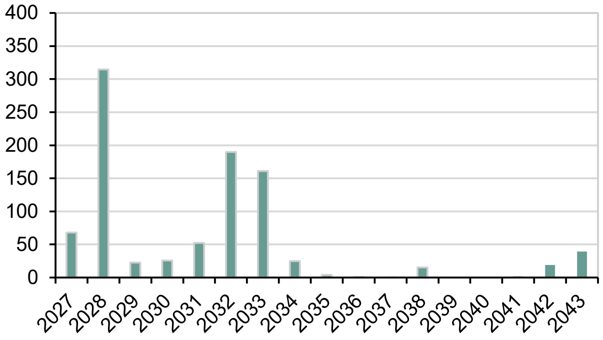
	Resource	Prior processing inventory	Current processing inventory	Change (%)
Tonnage (Mt)	162.0	125.3	143.1	14.2
Grade Au (g/t)	0.38	0.43	0.44	1.6
Grade Cu (%)	0.24	0.24	0.25	5.1

Source: Edison Investment Research, P2 Gold

We assume that the increase in the mining inventory will be accommodated by P2's updated mineral resource estimate for the Gabbs Project, anticipated around the end of the third quarter of this year.

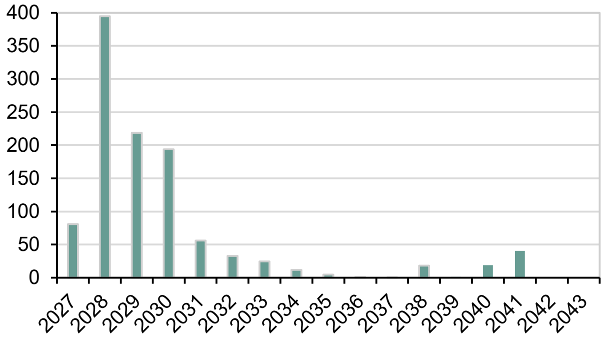
Otherwise, where previously we had estimated that capital expenditure would be phased over two distinct periods (the first ahead of initial production of oxide ore in FY29 and the second ahead of incremental production of sulphide ore in FY34), as shown in Exhibit 5, we now assume that these two periods will essentially overlap as mill-related capex is advanced from the period FY31–34 to FY29–32, as well as being increased overall, as shown in Exhibit 6:

Exhibit 5: Prior Gabbs Project life of mine capex estimates (US$m)



Source: P2 Gold, Edison Investment Research

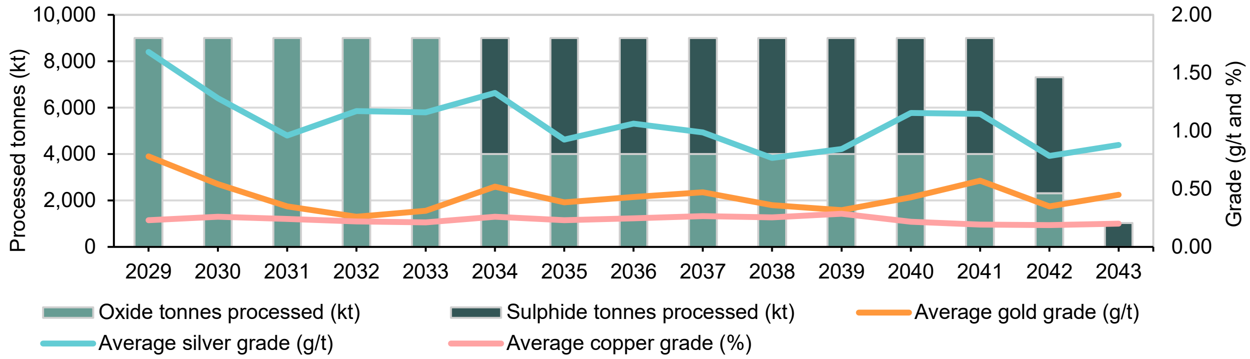
Exhibit 6: Upscaled Gabbs Project life of mine capex estimates (US$m)



Source: P2 Gold, Edison Investment Research

The prior model posited the project processing 9Mt ore per year over 13 full years at grades that fall to close to the life of mine average in the third year of operation (as shown in Exhibit 7).

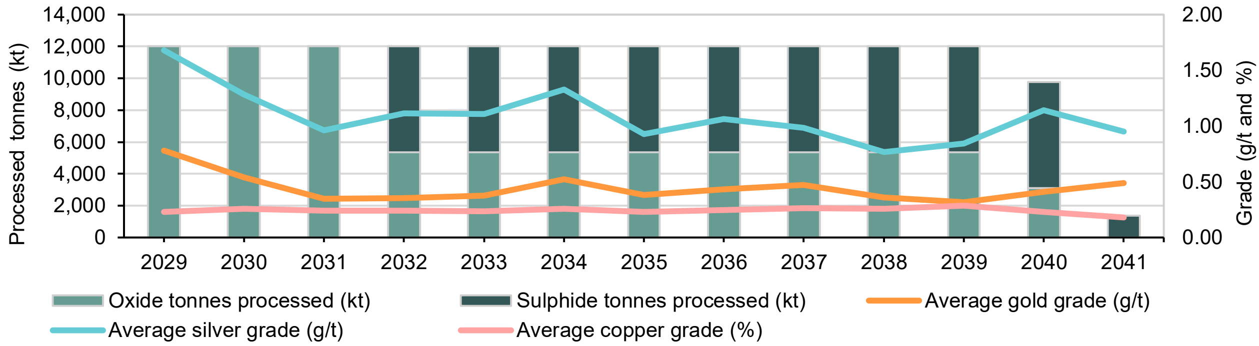
Exhibit 7: Prior Gabbs life of mine processing profile (kt and grade)



Source: P2 Gold, Edison Investment Research

The updated model posits approximately the same grade profile, but with a 33.3% increase in the annual throughput rate, full-scale production from the mill from year 4 and operations ending two years earlier in FY41 (Exhibit 8).

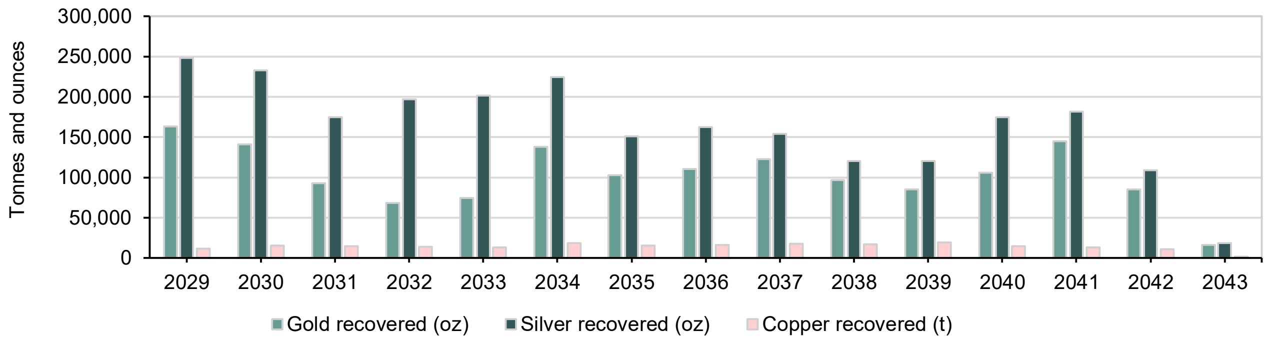
Exhibit 8: Upscaled Gabbs life of mine processing profile (kt and grade)



Source: Edison Investment Research, P2 Gold

In the previous model, gold production averaged 109koz per year, silver production averaged 175koz per year and copper production averaged 15kt per year over the 14 years of essentially full production (Exhibit 9).

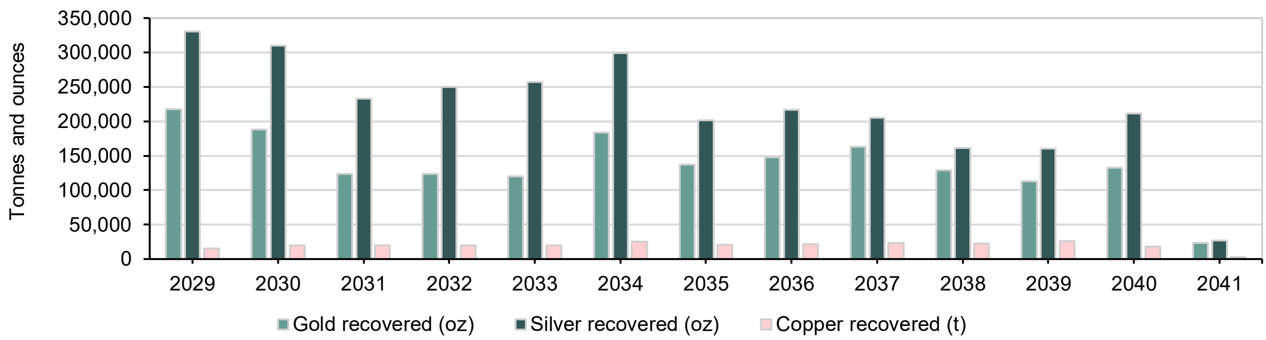
Exhibit 9: Prior Gabbs life of mine gold, silver and copper production



Source: P2 Gold, Edison Investment Research

In the revised model, gold production averages 150koz per year, silver production averages 239koz per year and copper production averages 21kt per year over 11 years of full production (Exhibit 10).

Exhibit 10: Upscaled Gabbs life of mine gold, silver and copper production



Source: Edison Investment Research, P2 Gold

The results of upscaling the Gabbs Project on this basis are provided in Exhibit 11 and demonstrate a 29.6% like-for-like increase in NPV_5 for the 'Edison model with P2 input assumptions' scenario, from US$861.9m (see Exhibit 3) to US$1,117.0m (or US$4.02/share). This is 18.5% above P2's existing PEA-stage project NPV_5 of US$942.9m. At current metals prices of US$4,100/oz Au, US$60/oz Ag and US$13,000/t Cu, this NPV_5 increases very materially to US $3,102.6m, or US$11.177 per existing P2 Gold share in issue.

Exhibit 11: Upscaled Edison Gabbs model valuation results cf PEA results

Production data	Units	PEA	Edison*	Variance (% and pp)	Edison**	Variance (% and pp)	Edison***	Variance (% and pp)
Life of mine	Years	14.2	11.9	-16.0	11.9	-16.0	11.9	-16.0
Throughput rate	ktpa	9,000	12,000	33.3	12,000	33.3	12,000	33.3
Gold grade	g/t	0.43	0.44	1.6	0.44	2.7	0.44	2.7
Silver grade	g/t	1.09	1.10	0.7	1.10	0.7	1.10	0.7
Copper grade	%	0.24	0.25	5.1	0.25	3.3	0.25	3.3
Life of mine stripping ratio		3.19	2.91	-8.7	2.91	-8.7	2.91	-8.7
Gold produced	oz	1,547,000	1,803,011	16.5	1,803,011	16.5	1,803,011	16.5
Silver produced	oz	2,481,000	2,864,690	15.5	2,864,690	15.5	2,864,690	15.5
Copper produced	t	213,000	254,168	19.3	254,168	19.3	254,168	19.3
Gold price	US$/oz	2,350	2,350	0.0	1,924	-18.1	4,100	74.5
Silver price	US$/oz	29.00	29.00	0.0	36.73	26.7	60.00	106.9
Copper price	US$/t	9,922	9,922	0.0	10,979	10.7	13,000	31.0
Total operating cost	US$/t	21.00	20.47	-2.5	20.47	-2.5	20.47	-2.5
Initial capex	US$m	382.7	475.8	24.3	475.8	24.3	475.8	24.3
Sustaining capex	US$m	502.9	567.2	12.8	567.2	12.8	567.2	12.8
Closure costs	US$m	56.4	56.4	0.0	56.4	0.0	56.4	0.0
Pre-tax IRR (%)	%	38.9	28.6	-10.3	22.9	-16.0	69.5	30.6
Post-tax NPV(5%)	US$m	942.9	1,117.0	18.5	866.2	-8.1	3,102.6	229.0
Do. per share	US$/share	3.397	4.024	18.5	3.120	-8.1	11.177	229.0

Source: P2 Gold, Edison Investment Research. Note: *Upscaled Edison model with P2 Gold input assumptions. **Upscaled Edison model with Edison input assumptions. ***Upscaled Edison model at spot metals prices of US$4,100/oz Au, US$60/oz Ag and US $13,000/t Cu.

Gabbs Project valuation flow through to P2 Gold

Unrisked project valuation

As shown in Exhibits 3 and 11, P2 Gold's existing PEA calculated a pre-tax IRR for the Gabbs Project of 38.9% and a post-tax NPV_5 of US$942.9m. With 277.6m P2 shares in issue (cf 222.8m previously), this post-tax NPV estimate equates to US$3.397/share (cf US$4.232/share previously, the 19.7% decline being solely the consequence of there being 24.6% more shares in issue).

Project valuation risked for two factors

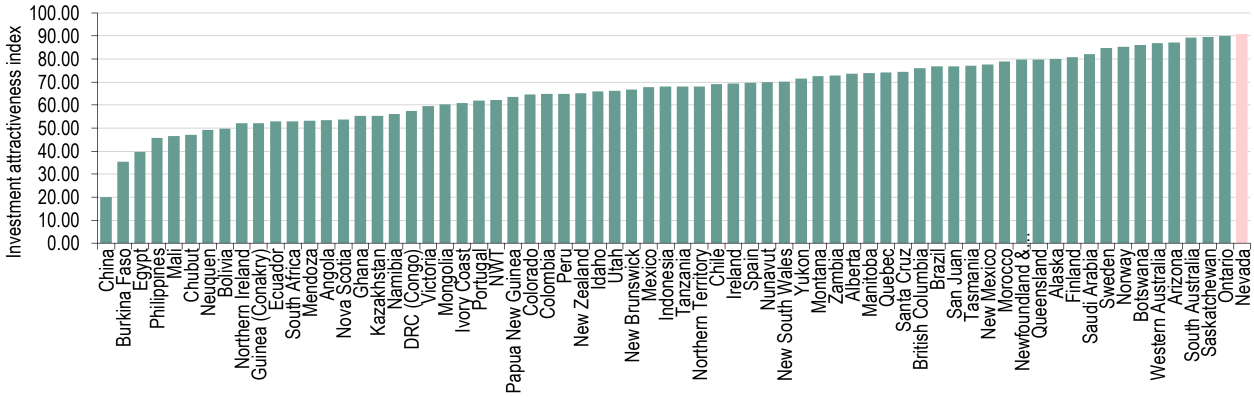
Risk associated with the Gabbs Project may be assumed to comprise sovereign risk, execution risk, geological risk, metallurgical risk, engineering risk, management risk (possibly also including funding risk) and an overall risk of 'commerciality'. Three of these risks – sovereign risk, execution risk (in the form of 'stage of development' risk, ie PEA or scoping study) and overall 'commerciality risk' – may immediately be adjusted for.

Sovereign risk

In our report Gold stars and black holes, published in January 2019, we calculated that companies with completed PEAs commanded valuations between -4.8% and 50.7% of attributable project NPV, with an average of 11.7% (see Exhibit 166 on page 82 of the report).

According to the Fraser Institute's most recent (2025) survey, Nevada now ranks as the world's most attractive jurisdiction for mining investment (cf the second most attractive jurisdiction at the time of our last report):

Exhibit 12: Fraser Institute survey of mining investment attractiveness, by jurisdiction (2025)



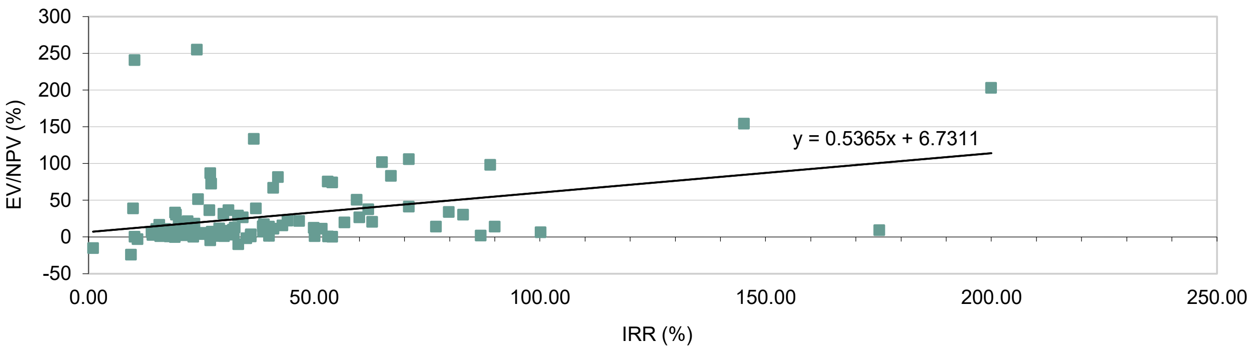
Source: Fraser Institute

The mean Fraser Institute investment attractiveness score for all jurisdictions is 66.80, which is between the scores for New Brunswick and Mexico. If this is deemed to attract an average valuation of 11.7% of attributable NPV, and the top and bottom halves of the sample are presumed to attract valuations with respect to the average and pro rata to their scores, then a company with an average project in Nevada may be expected to attract a valuation of 133.5% of attributable project NPV of US$3.397/share. For P2, this would imply a valuation of US$4.535/share.

Project valuation risked for overall commerciality

In Gold stars and black holes, we calculated a statistically significant relationship between the valuation of a company and its IRR, which is demonstrated in the graph below:

Exhibit 13: Company enterprise value as percent of attributable project NPV versus project IRR (%)



Source: Edison Investment Research

On the basis of the Gabbs Project's PEA pre-tax IRR of 38.9%, therefore, P2 could be expected to command a valuation equivalent to 27.6% of its NPV, or US$0.938/share. At prevailing metals prices, however, we calculate that the Gabbs Project pre-tax IRR increases to 69.5% (see Exhibit 11), which would imply an EV (according to the regression analysis) of 44.0% of increased project NPV, or US$4.920/share.

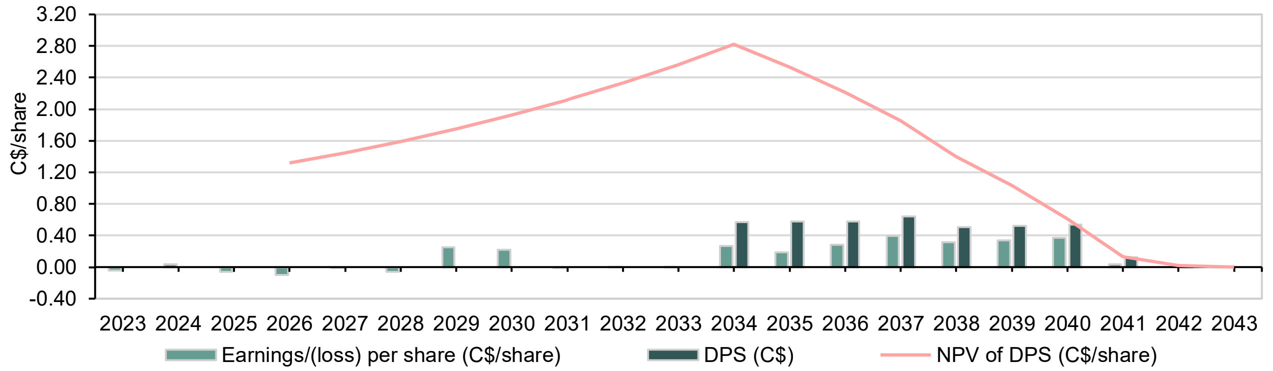
Project valuation risked simultaneously for sovereign risk and overall commerciality

Alternatively, if a multiple regression analysis between IRR and Fraser Institute Investment Attractiveness scores and a company's enterprise value/NPV ratio is performed, and the resulting equation applied to the Gabbs Project, a 34.7% enterprise value/NPV ratio is predicted, which implies a valuation of US$1.177/share for P2 (ie between the other two risk-adjusted valuations of US$4.535/share and US$0.938/share). At prevailing metals prices, the implied enterprise value is 51.1% of increased project NPV (or US$5.707/share).

P2 Gold company valuation based on Edison assumptions

Edison's company valuation of P2 differs from our project-based valuation of Gabbs in that it includes net interest on debt and cash balances as well as making an assumption regarding financing. In deference to P2's published accounts, our company valuation is denominated in Canadian dollars (cf the project calculations, which are denominated in US dollars). Given that the project is located in the United States however, for the most part, the difference between our calculations in Canadian dollars and our calculations in US dollars is only one of conversion. In our base case therefore, we assume that P2 will raise C$272.4m gross (cf C$213.3m previously) in equity at the prevailing share price in order to achieve a 2:1 maximum debt:equity ratio in FY28. In this case, we estimate that the company will be able to return dividends with an NPV_{10} of C$1.316/share (cf C$0.929/share previously) to shareholders in 1 January 2026 terms (NB at Edison's real life of mine average metals prices of US$1,924/oz Au, US$36.73/oz Ag and US$10,979/t (US$4.98/lb) Cu). Moreover, with the passage of time and as it achieves milestones in bringing Gabbs to account, we calculate that this dividend discount valuation will increase to a maximum of C$2.822/share in FY34 (cf C$2.193/share in FY36 previously), ahead of the company's first potential dividend to shareholders:

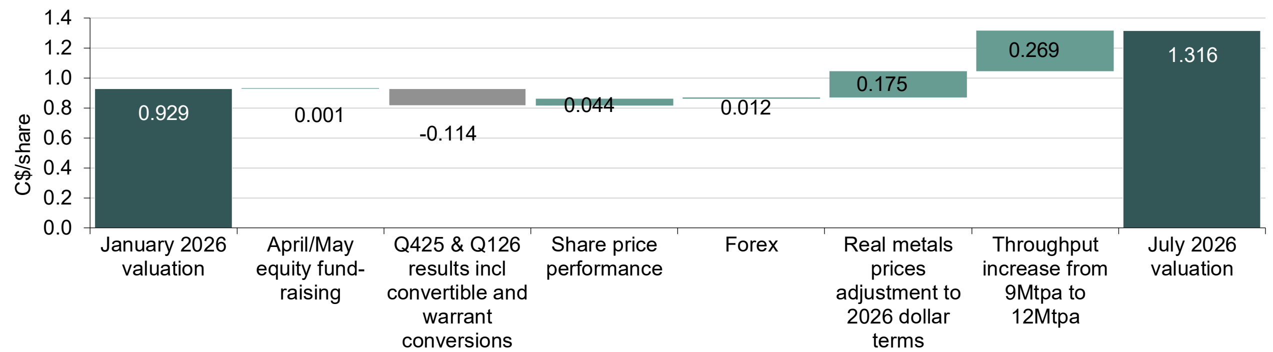
Exhibit 14: P2 Gold EPS, maximum potential DPS and NPV of DPS, FY23-43e (C$/share)



Source: Edison Investment Research. Note: Using a real 10% discount rate and Edison (real) life of mine average metals prices of US $1,924/oz Au US$36.73/oz Ag and US$10,979/t (US$4.98/lb) Cu.

Exhibit 15, below, shows the change in our valuation relative to that at the time of our initiation note in January, by component, demonstrating that the two largest single drivers of change are our adjustment of metals prices from real 2025 dollar terms to 2026 dollar terms and the plan to increase the throughput rate of the plant at Gabbs from 9Mtpa to 12Mtpa.

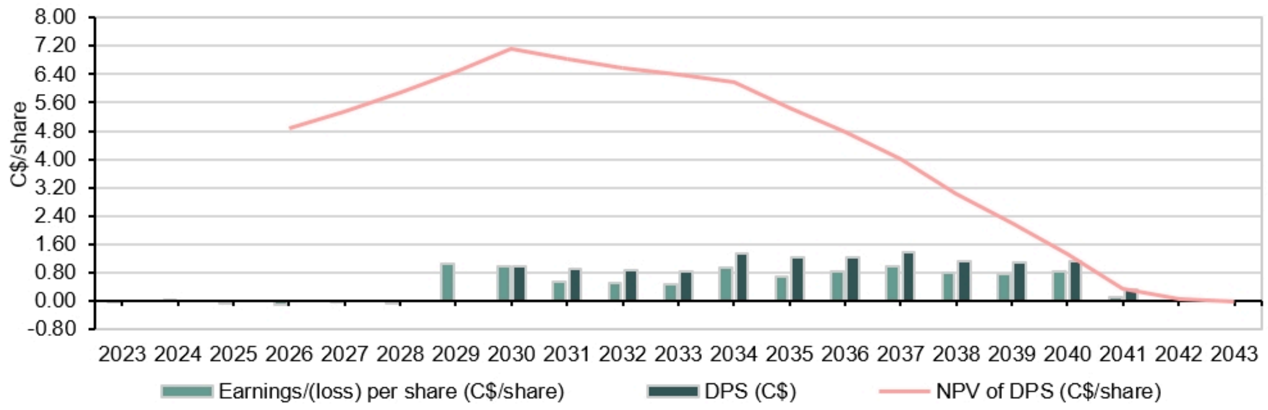
Exhibit 15: P2 Gold valuation bridge chart summary (C$/share), January to July 2026



Source: Edison Investment Research.

At prevailing metals prices however, this C$1.316/share valuation rises by a further 269.5% to C$4.862/share (currently), rising to C$7.118/share in FY30:

Exhibit 16: P2 Gold EPS, maximum potential DPS and NPV of DPS, FY23-43e (C$/share)



Source: Edison Investment Research. Note: Using a real 10% discount rate and Edison (real) life of mine average metals prices of US $4,100/oz Au, US$60.00/oz Ag, and US$13,000/t (US$5.90/lb) Cu.

Gabbs and P2 Gold valuation summary

A summary of our valuation scenarios for both the Gabbs Project and P2 Gold is provided in the exhibit below:

Exhibit 17: P2 Gold and Gabbs Project valuation summary

Scenario	Valuation	Edison estimate at prevailing metals prices
Unrisked estimated post-tax $NPV_{5\%}$ (US$/share)	3.397	11.177
Ditto adjusted for:		
– Sovereign risk (US$/share)	4.535	14.922
– IRR (US$/share)	0.938	4.920
– Sovereign risk and IRR (US$/share)	1.177	5.707
Discounted dividend valuation* (C$/share)	1.316	4.862

Note: *Conducted at a (real) discount rate of 10% and includes estimated future dilution. The top four project valuations in the 'Valuation' column are based upon base case PEA metals prices of US$2,350/oz Au, US$29.00/oz Ag and US$4.50/lb Cu. Equivalent Edison discounted dividend (company) valuation is based on Edison life of mine average metals prices of US$1,924/oz Au, US$36.73/oz Ag and US$10,979/t (US$4.98/lb) Cu in real 2026 dollar terms.

As noted in our report Gold stars and black holes, companies with projects at PEA stage of development command valuations on average of 11.7% of project NPV. At its current share price, P2 is at an 82.8% discount to its project NPV (ie its share price is at just 17.2% of attributable project NPV), which appears to take little account of its premium jurisdiction in particular (note that its IRR is quite close to the population average of 41.0% for companies with projects at PEA stage of development).

Cash flow and terminal multiple

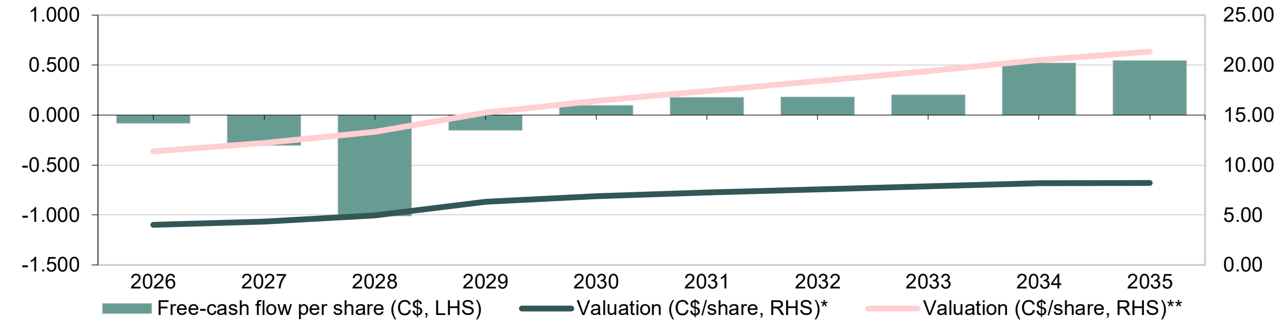
According to our analysis, the company will raise equity and begin development in FY27 and will begin commercial production in FY29. In our base case discounted dividend scenario, we estimate that P2 will pay off all outstanding net debt in FY34, at which point it will be generating free cash flows at a rate of c C$0.564/share (cf C$0.435/share previously) until the end of the life of its operations. As an alternative to our customary method of discounting maximum potential dividends back to 1 January 2026, we can discount forecast cash flows back over 10 years to the start of FY26 and then apply an ex-growth terminal multiple to forecast cash flows in that year (in this case FY35) based on the appropriate discount rate.

Our estimate of P2's free cash flows in FY35 specifically is C$0.575/share (cf C$0.435/share previously) at a real gold price of US$1,941/oz in 2026 money terms. If we assume that it is able to maintain this level of cash flows indefinitely and apply a (real) discount rate of 6.7% (calculated from a nominal expected equity return of 9% and long-term inflation expectations of 2.1907%, as defined by the US 30-year break-even inflation rate (source: Bloomberg, 10 July)) to it, our valuation of the company would be C$8.64/share in FY35 (cf C$6.57/share previously) and C$4.50/share currently (cf C $3.05/share previously) assuming zero long-term cash flow per share growth thereafter.

If we assume ongoing exploration expenditure at a rate of C$18.1m per year in order to achieve this mine life extension, then our estimate of P2's free cash flows in FY35 moderates only very slightly to C$0.547/share. All other things being equal, our valuation of the company would then be C$8.20/share (cf C$8.64/share without exploration expenditure) in

FY35 and C$4.01/share currently (cf C$4.50/share without exploration expenditure) assuming zero long-term cash flow per share growth thereafter in real terms. If P2 is then able to maintain this level of cash flows per share indefinitely, its valuation would stabilise at C$8.20/share in real terms on an ex-growth basis. However, the gold price alone should afford an additional 4.1% per year to cash flows in real terms (the compound average annual real appreciation rate in its price from 1967 to 2025), in which case P2's terminal valuation more than doubles to C$22.22/share (cf C$14.70/share previously) in FY35 and its current valuation to C$11.37/share (cf C$7.33/share previously), as shown in Exhibit 18:

Exhibit 18: P2 Gold discounted cash flow and terminal multiple valuation (C$/share)



Source: Edison Investment Research. Note: Based upon Edison (real) life of mine average metals prices of US$1,924/oz Au US$36.73/oz Ag and US$10,979/t (US$4.98/lb) Cu. *Assumes ex-growth post-FY35. **Assumes 4.1% real annual growth rate post-FY35.

Exhibit 19 demonstrates the sensitivity of both the terminal multiple and the current valuation of P2 to extensions in the mine life of the Gabbs Project.

Exhibit 19: Cash flow and terminal multiple valuation sensitivity to mine life extensions (C$/share)

Mine life beyond 2035 at full capacity	Extension beyond 'base case'	Valuation*		Valuation**	
(years)	(years)	Terminal (C$/share)	Current (C$/share)	Terminal (C$/share)	Current (C$/share)
+5	0	2.63	1.09	3.02	1.29
+15	10	5.28	2.48	7.16	3.47
+25	20	6.67	3.21	10.41	5.17
+35	40	7.40	3.59	12.96	6.51
+45	80	7.78	3.79	14.96	7.56
Ad infinitum	Ad infinitum	8.20	4.01	22.22	11.37

Source: Edison Investment Research. Note: Based upon Edison (real) life of mine average metals prices of US$1,924/oz Au, US $36.73/oz Ag and US$10,979/t Cu (US$4.98/lb). *Assumes ex-growth post-FY35 in real terms. **Assumes 4.1% real annual growth rate post-FY35.

Readers should note that the C$1.09/share valuation including exploration expenditure equates to one of C$1.42/share without exploration expenditure and is within 10% of our discounted dividend valuation of C$1.316/share, which is as expected

Financials

In the three months ended 31 March, P2 issued 11.2m shares, with a fair value of C$10.4m, for the conversion of convertible debentures with an original principal amount of C$1.1m, while a further 24.6m shares were issued pursuant to the exercise of warrants, raising a further C$4.3m (gross), such that the company had C$10.0m in gross cash on its balance sheet at end-Q1 and C$9.5m in net cash. Since then, P2 has raised a further C$11.6m (gross) in equity in Q226 via the issue of 15.5m units of one share and one warrant each (exercisable at C$1.50/share). Before changes in working capital, the cash burn rate in Q1 was c C$5.0m, suggesting that P2 has sufficient net cash to fund itself (at its current cash burn rate) for approximately four quarters from end-Q126, which we regard as sufficient until the major equity fund-raising required to raise project development capital in FY27. Given the increase in the project's size, we now estimate that this will be in the order of C$272.4m gross (cf C$213.3m previously) in equity plus a further c C $521.7m in debt (ie a total of C$794.1m cf C$565.7m previously – ie an increase of 40.4%).

Exhibit 20: Financial summary

C$'000s	2024	2025	2026e	2027e	2028e	2029e	2030e
Year end 31 December	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
PROFIT & LOSS							
Revenue	**0**	**0**	**0**	**0**	**0**	**814,863**	**839,827**
Cost of Sales	(2,069)	(4,944)	(21,572)	(1,759)	(37,273)	(339,797)	(344,929)
Gross Profit	(2,069)	(4,944)	(21,572)	(1,759)	(37,273)	475,066	494,899
EBITDA	**(2,069)**	**(4,944)**	**(21,572)**	**(1,759)**	**(37,273)**	**475,066**	**494,899**
Operating Profit (before amort. and except.)	**(2,105)**	**(4,968)**	**(21,597)**	**(1,759)**	**(37,273)**	**277,305**	**265,764**
Intangible Amortisation	0	0	0	0	0	0	0
Exceptionals	6,520	(6,480)	(2,963)	0	0	0	0
Other	70	1,379	264	0	0	0	0
Operating Profit	**4,486**	**(10,070)**	**(24,296)**	**(1,759)**	**(37,273)**	**277,305**	**265,764**
Net Interest	(466)	(24)	28	42	2,171	(49,457)	(57,391)
Profit Before Tax (norm)	**(2,571)**	**(4,993)**	**(21,569)**	**(1,717)**	**(35,102)**	**227,848**	**208,373**
Profit Before Tax (FRS 3)	**4,019**	**(10,094)**	**(24,268)**	**(1,717)**	**(35,102)**	**227,848**	**208,373**
Tax	129	0	0	0	0	(77,134)	(74,426)
Profit After Tax (norm)	**(2,372)**	**(3,614)**	**(21,305)**	**(1,717)**	**(35,102)**	**150,714**	**133,947**
Profit After Tax (FRS 3)	**4,149**	**(10,094)**	**(24,268)**	**(1,717)**	**(35,102)**	**150,714**	**133,947**
Average Number of Shares Outstanding (m)	124.9	170.2	250.8	441.7	605.8	605.8	605.8
EPS - normalised (c)	(1.9)	(2.1)	(8.5)	(0.4)	(5.8)	24.9	22.1
EPS - normalised and fully diluted (c)	(1.6)	(1.3)	(6.3)	(0.3)	(5.1)	21.7	19.3
EPS - (IFRS) (c)	3.3	(5.9)	(9.7)	(0.4)	(5.8)	24.9	22.1
Dividend per share (c)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gross Margin (%)	N/A	N/A	N/A	N/A	N/A	58.3	58.9
EBITDA Margin (%)	N/A	N/A	N/A	N/A	N/A	58.3	58.9
Operating Margin (before GW and except.) (%)	N/A	N/A	N/A	N/A	N/A	34.0	31.6
BALANCE SHEET							
Fixed Assets	**47**	**27**	**23**	**115,129**	**677,294**	**791,054**	**837,955**
Intangible Assets	0	0	0	0	0	0	0
Tangible Assets	47	27	13	115,119	677,284	791,044	837,945
Investments	0	0	10	10	10	10	10
Current Assets	**638**	**11,101**	**3,321**	**145,288**	**0**	**133,950**	**138,054**
Stocks	0	0	0	0	0	66,975	69,027
Debtors	98	783	0	0	0	66,975	69,027
Cash	540	9,922	3,321	145,288	0	0	0
Other	0	396	0	0	0	0	0
Current Liabilities	**(2,741)**	**(8,848)**	**(545)**	**(545)**	**(3,464)**	**(28,329)**	**(28,751)**
Creditors	(377)	(805)	0	0	(2,919)	(27,784)	(28,206)
Short-term borrowings	(2,364)	(8,043)	(545)	(545)	(545)	(545)	(545)
Long-Term Liabilities	**(153)**	**(0)**	**0**	**0**	**(449,061)**	**(521,191)**	**(437,827)**
Long-term borrowings	0	(0)	0	0	(449,061)	(521,191)	(437,827)
Other long-term liabilities	(153)	0	0	0	0	0	0
Net Assets	**(2,209)**	**2,280**	**2,798**	**259,871**	**224,769**	**375,484**	**509,430**
CASH FLOW							
Operating Cash Flow	**(1,611)**	**(3,018)**	**(21,623)**	**(1,759)**	**(34,354)**	**365,981**	**491,217**
Net Interest	(29)	62	28	42	2,171	(49,457)	(57,391)
Tax	(27)	0	0	0	0	(77,134)	(74,426)
Capex	(2)	0	(11)	(115,106)	(562,166)	(311,521)	(276,036)
Acquisitions/disposals	0	32	660	0	0	0	0
Financing	107	12,937	24,776	258,790	0	0	0
Dividends	0	0	0	0	0	0	0
Net Cash Flow	(1,562)	10,014	3,830	141,967	(594,349)	(72,130)	83,364
Opening net debt/(cash)	**498**	**1,824**	**(1,879)**	**(2,775)**	**(144,743)**	**449,606**	**521,736**
HP finance leases initiated	0	0	0	0	0	0	0
Other	236	(6,311)	(2,934)	0	0	0	0
Closing net debt/(cash)	**1,824**	**(1,879)**	**(2,775)**	**(144,743)**	**449,606**	**521,736**	**438,373**

Source: Company sources, Edison Investment Research.

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London | New York | Frankfurt
20 Red Lion Street
London, WC1R 4PS
United Kingdom