CAPITAL MARKETS
HAYWOOD

Borealis Mining
(BOGO-V)
SECTOR: MINING

STOCK PRICE	C$1.40
RATING	BUY
TARGET PRICE	C$2.00

UPDATE WITH CEO

Ready to Ramp Up

OUR TAKE: Although output to date from the Borealis mine has been minimal, BOGO is planning for gold production of ~20,000oz in 2026, eventually increasing to ~60,000oz in 2028 once Sandman goes into operation. Cash flow from production is expected to fund exploration at the Borealis property as well as economic studies at the Sandman property.

HIGHLIGHTS

- **Event.** Kelly Malcolm, CEO, presented to Haywood yesterday to provide an update on the company's activities.
- **Lower production in 2025…** Borealis Mining (BOGO) expects gold production of ~2,500oz this year, down from its earlier target of 4,000oz. The production shortfall is attributable to higher clay-rich ore which is more difficult to put through the crusher, a problem that was compounded because there was no other ore material to make a blend. The underperformance of the contractor also impacted gold production.
- **…But higher production in 2026**. BOGO plans to maintain a crushing rate of 3,800 tpd in 2026 as it transitions from stockpiled ore to mined ore. Drilling and blasting is expected to start in early January followed by mining starting by the end of January, enabling steady state operations which should enable BOGO to meet its production target of 20,000oz in 2026.
- **Sandman study.** BOGO expects to release an updated PEA on its Sandman project within a month. The 2023 PEA featured a heap leach open pit operation with a construction capex of $32M, with throughput of 2.2Mtpa (6,100tpd), from ore grading 0.73g/t Au, producing 35-40koz of gold annually at AISC of $1,337/oz, over a mine life of 9 years. A prefeasibility study would follow within the next 6-8 months, leading to construction by 2027 and production starting in 2028.
- **Exploration**. For now, the company has delayed exploration activities in order to focus on production at Borealis. Once consistent cash flow starts in 2026, BOGO plans to implement an exploration plan for Borealis, where a historic resource of 1.8Moz (2/3 of which is sulfide ore), has been identified.
- **Downplaying M&A**. In our initiation report, we discussed how asset consolidation will be a key part of the company's strategy of building a hub-and-spoke operation, however, in the current $4,000/oz gold environment, competition for projects is much stronger and so acquisitions will happen more opportunistically, with a focus of buying good assets without overpaying.
- **Cash ok**. Following the exercise of warrants and gold sales, BOGO has $12M in cash, which is sufficient for development activities at Borealis and technical studies at Sandman. Based on gold production this year, Kelly expects to exit the year maintaining that cash level. Capex requirements will be limited next year, in the range of $5M sustaining costs over the next 20 months, so no equity raise is planned in the foreseeable future unless the company decides to raise exclusively for a major exploration program.
- **Valuation with upside.** Based on our conservative 2026 production estimate of 17koz from the Borealis mine at an AISC of $1,800/oz, at our $4,000/oz gold price forecast, we model $34M in cash flow, or CFPS of $0.30 next year. Our C$2.00 target for BOGO is based on a 7.26x EV/2026E CF multiple, relative to peers trading at 6.9x. If BOGO can achieve 20koz of production next year, the additional ounces would yield an incremental ~$0.06 boost to our CFPS estimate.

OUTLOOK & RECOMMENDED ACTION

Buy for production growth from Borealis mine

- **Positioned for 2026.** Although the stock has done well this year (+115% YTD, +64% YoY), we look for production to get on track in 2026 in order for BOGO to gain broader market recognition and for the stock to get revalued as a producer. We also look for exploration success at Borealis and progress advancing Sandman as catalysts for the stock. We reiterate our Buy rating and $2.00 target price at this pivotal moment for the Borealis mine.

CATALYSTS

1. **4Q25** – Updated PEA for Sandman project
2. **1Q26** – Start of mining at Borealis mine
3. **2H26** – Completion of Sandman Feasibility Study by year-end

PROJECTED RETURN 43%

RISK FACTOR Very High

SCENARIO ANALYSIS

Downside Scenario	Current Price	Price Target
C$0.45	C$1.40	C$2.00
↓67%		↑43%

KEY STATISTICS AND METRICS

52-Week High/Low ($C)	$1.59 / $0.49
YTD Performance	115%
Dividend Yield	N/A
Shares O/S (B)	115.4
Market Capitalization	$116M
Cash	$12M
Debt	$0M
Enterprise Value	$104M
Daily Volume (3 mos.)	557,840
Currency	US$ unless noted

HAYWOOD ESTIMATES

	2025E	2026E	2027E
Revenue ($M)	$9	$71	$59
EPS ($)	$0.01	$0.19	$0.14
CFPS ($)	$0.02	$0.30	$0.21
FCFPS ($)	($0.02)	$0.27	$0.18

VALUATION

Borealis Mining is trading at a consensus EV/2026 OCF multiple of 3.0x compared to peers at 6.9x.

Our target price of C$2.00 per share is based on a multiple of 7.26x EV/2026E Operating Cash Flow.

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For Important Disclosures and Analyst Certification See Page 4

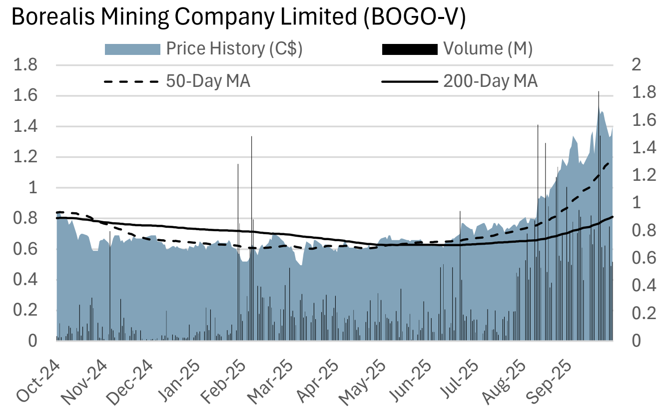
COMPANY PROFILE

- Borealis Mining (TSXV:BOGO) is a gold company focused on growing production at its Borealis Mine in Nevada and advancing the development of its nearby Sandman gold project. Concurrently, BOGO plans to develop exploration potential at both properties and make acquisitions of satellite properties to grow production within a hub-and-spoke operation built around the Borealis mine.

KEY RISKS

- **Resource risk**. Our valuation of Borealis Mining is primarily derived from historical resource estimates, which were established in 2011, and which rely mostly on oxide and transition ore. Further drilling will be required to confirm the Borealis mine's resources and develop a mineable reserve. The Sandman project will also need verification of resources from drilling and updated economic studies.
- **Financing risk**. Borealis Mining does not generate enough cash flow to sustain the company and may be reliant on debt and equity financings in the future to fund its operations. A downturn in markets and the company's share price could pose a risk to continued financing of operations.
- **Execution risk**. Borealis Mining is a new company, with no operating experience. As a result, operational challenges are inevitable as the company familiarizes itself with its assets and develops an operating team that can build a production profile.
- **Strategy risk**. Much of the growth of the company is predicated on a successful acquisition strategy. Given the record gold price and growing competition for desirable gold companies and properties, there can be no assurance that BOGO will be able to secure assets at a reasonable price, if at all.
- **Commodity risk.** The viability of the Borealis and Sandman projects is dependent on maintaining a strong gold price. A pronounced downturn in the gold price could impact future cash flows for the Company and efforts to develop projects. An inflationary environment could also make it challenging to develop operations and grow profits.

SCENARIO ANALYSIS



Source: Capital IQ, and Haywood Securities

TARGET PRICE

Our target price of C$2.00 per share is based on a multiple of 7.26x EV/2026E Operating Cash Flow.

DOWNSIDE CASE

Our downside target of C$0.45/sh reflects risks such as a decline in the gold price, inflationary pressures on costs and project economics, and a delay to the development of the Borealis and Sandman projects.

Our downside scenario price is a theoretical case based on notional valuation metrics and market assumptions. The downside price is solely intended for demonstrative purposes and is not to be regarded as a reflection of all market possibilities. It is not a guarantee that this company's share price will not drop below this price level.

Company Website

borealismining.com

Key Management

Kelly Malcolm (President and CEO)
Lisanna Lewis (CFO)
Andreas Steckenborn (COO)
Iain Campbell (VP Exploration)

Pierre Vaillancourt, 416-507-2309, pvaillancourt@haywood.com
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Borealis Mining Company Limited (BOGO-V)

Rating: BUY Risk: Very High

Target Price: C$2.00

Metric: 7.26x EV/2026E Operating Cash Flow

Target Price, C$	$2.00	Shares O/S, million	115.4
Current Price, C$	$1.40	Shares F/D, million	152.9
Return, %	43%	Market Capitalization, C$M	$161.6
52-Week High / Low, C$	$1.59 / $0.49	Company CEO	Kelly Malcolm
Daily Volume (100-day avg)	557,840	Company Web Site	borealismining.com

Balance Sheet and Capitalization

	US$M	US$ / Sh	C$M	C$ / Sh
Market Capitalization	$116	$1.01	$162	$1.40
Current Cash	$12	$0.10	$17	$0.14
Working Capital	$4	$0.04	$6	$0.05
Total Debt	$0	$0.00	$0	$0.00
Book Value	($1)	($0.01)	($2)	($0.02)
Enterprise Value (EV)	$104	$0.90	$145	$1.26
			Spot C$/US$ FX Rate:	*$1.39*

Share Capital Dilution

	As of	Number	Avg. Price	Proceeds	ITM	Expiry
Shares Outstanding	Oct-25	115.4M				
Options	Oct-25	6.1M	C$1.25	C$7.7M	C$3.8M	Feb/27 - Aug/29
Warrants	Oct-25	31.4M	C$0.71	C$22.2M	C$22.2M	Mar/26 - Mar/27
Total Dilutive	Oct-25	37.5M		C$29.8M	C$26.0M	
Fully Diluted OS		152.9M				

Financial Forecast

	2025E	2026E	2027E	2028E	2029E
Realized Au Price	$3,400	$4,000	$3,750	$3,500	$3,500
C$/US$ FX Rate	$1.40	$1.37	$1.36	$1.33	$1.33
Fully Financed Shares O/S, millions	115	115	115	142	142
Revenue, US$M	$9	$71	$59	$106	$173
Operating Income, US$M	$3	$39	$30	$52	$93
EBITDA, US$M	$4	$44	$35	$60	$107
Earnings, US$M	$2	$29	$23	$39	$71
EPS, US$	**$0.01**	**$0.19**	**$0.14**	**$0.24**	**$0.39**
Operating Cash Flow, US$M	$3	$34	$27	$47	$85
CFPS, US$	**$0.02**	**$0.30**	**$0.21**	**$0.37**	**$0.60**
Free Cash Flow, US$M	($2)	$31	$24	($6)	$81
FCFPS, US$	**($0.02)**	**$0.27**	**$0.18**	**$0.37**	**$0.60**
Capex, US$M	$5	$3	$3	$53	$4

Corporate NAV Summary and Sensitivity

	Haywood Model					
Forecast Gold Price, US$/oz		**$1,500**	**$1,800**	**$2,200**	**$2,500**	**$3,000**
Forecast Silver Price, US$/oz		**$15.00**	**$20.00**	**$25.00**	**$30.00**	**$35.00**
Corporate Adjustments, US$M	**$15**	$15	$15	$15	$15	**$15**
Borealis Mine After-Tax NAV 8%, US$M	**$96**	($0)	$14	$32	$45	**$68**
Sandman Project After-Tax NAV 8%, US$M	**$220**	-$33	$3	$51	$86	**$145**
Resource Valuation at $10 EV/oz, US$M	**$27**	$27	$27	$27	$27	**$27**
Corporate NAV, US$M	**$359**	**$10**	**$59**	**$125**	**$174**	**$255**
Corporate NAV, C$ per F/F & F/D share	**$2.66**	**$0.07**	**$0.44**	**$0.92**	**$1.29**	**$1.89**

Major Shareholders

	Shares Outstanding (Millions)	Shares Outstanding (%)
McEwen, Robert Ross	15.2	13.2%
Sprott, Eric Steven	9.6	8.3%
Malcolm, Kelly James	4.4	3.8%
Mega Uranium Ltd.	3.0	2.6%
Buchan, Robert Mackay	2.7	2.3%
Total	34.9	30.2%

Haywood Conceptual Model Assumptions v. Borealis Mine PFS

Project	**Borealis Mine**	**Sandman Project**
Type of Study	Haywood Conceptual	Haywood Conceptual
Production Profile		
Mine Life, years	5	9
Average Mill Throughput, ktpa	779	2,158
Average Mill Throughput, tpd	2,165	5,994
Average Grade Milled, g/t	0.93	0.73
Contained Gold, koz	115	456
Recovery, %	69%	75%
Total Recovered Gold, koz	80	342
Average Annual Gold Production, koz	16	38
Capital Costs		
Initial Capital, US$M	$5.0	$50.0
Sustaining Capital, US$M	$9.7	$70.0
Total Capital Costs, US$M	**$14.7**	**$120.0**
Cash Costs, US$/oz	$1,617	$1,409
AISC, US$/oz	$1,823	$1,608

Peer-Group Comparables

	Price (C$)	Market Cap (C$M)	NAVPS (C$)	P/NAV	EV/Resource (US$/oz)	EV/2025 CF	EV/2026 CF
Artemis Gold Inc.	$32.43	$7,487	$39.57	0.82x	$463	14.8x	8.6x
Equinox Gold Corp.	$15.21	$11,566	$21.02	0.72x	$165	10.1x	5.6x
First Mining Gold Corp.	$0.31	$393	$1.74	0.18x	$21	-	-
G Mining Ventures Corp.	$26.04	$5,929	$39.16	0.66x	$398	14.1x	12.7x
Minera Alamos Inc.	$0.27	$397	$1.66	0.16x	$104	4.7x	1.9x
NovaGold Resources Inc.	$8.13	$4,594	$12.28	0.66x	$121	-	-
Skeena Resources Limited	$16.27	$2,737	$35.27	0.46x	$355	-	-
Torex Gold Resources Inc.	$40.30	$5,383	$74.75	0.54x	$663	7.3x	5.5x
Troilus Gold Corp.	$0.94	$521	$6.01	0.16x	$34	-	-
Group Average	**$15.54**	**$4,334**	**$25.72**	**0.48x**	**$258**	**10.2x**	**6.9x**
Borealis Mining (Consensus)	**$1.40**	**$162**	**$4.01**	**0.35x**	**$38**	**18.2x**	**3.0x**
Borealis Mining (Haywood)	**$1.40**	**$162**	**$3.13**	**0.45x**	**$38**	**36.2x**	**3.1x**

Recent Financings

February 4, 2025 - Bought deal public offering comprised of 17.86M units at a price of C$0.56/unit for gross proceeds of C$10M. Each unit is comprised of one common share and one half of one common share purchase warrant. Each warrant is exercisable at C$0.78/share for a period of 24 months following the closing of the financing.

August 6, 2024 - Borealis Mining Company Limited announced that it received approval to list its common shares on the TSXV. The Company's common shares commenced trading on the TSXV under the symbol "BOGO", effective market open on August 7, 2024.

June 19, 2024 - Non-brokered private placement of 5.43M units at a price of C$0.50/unit for gross proceeds of C$2.7M. Each unit is comprised of one common share and one half of one common share purchase warrant. Each warrant is exercisable at C$0.75/share until September 14, 2025.

Pre-IPO non-brokered private placement of 28.5M shares at price range between C$0.02/sh to C$0.05/sh for gross proceeds of C$824k.

Pre-IPO non-brokered private placement of 5.45M shares at a price of C$0.30/sh for gross proceeds of C$1.64M.

Pre-IPO non-brokered private placement of 32M units at a price of C$0.50/unit for gross proceeds of C$16M. Each unit is comprised of one common share and one half of one common share purchase warrant. Each warrant is exercisable at C$0.75/share and expire in September 2025.

Pre-IPO non-brokered private placement of 17.9M units at a price of C$0.56/unit for gross proceeds of C$10M. Each unit is comprised of one common share and one half of one common share purchase warrant. Each warrant is exercisable at C$0.78/share and expire in February 2027.

Source: Bloomberg, Capital IQ, Company Reports, and Haywood Securities