

AUREKA LIMITED (ASX:AKA)

Equity Research Report – 9 December 2024

Capital Structure

Current price per share	A\$0.105
Ordinary shares on issue	102,434,896
Market capitalisation	A\$10.8m
Options outstanding*	10,700,000
Total shares and options	113,134,896

*Includes 1,500,000 20c options held by Canary Capital Pty Ltd expiring 11/11/2027

Major Shareholders

Dunkeld Pastrol Pty Ltd	9.78%
James Gurry	5.81%
Matt Corp WA Pty Ltd	3.07%
Dixon Trust	2.99%
Jetan Pty Ltd	1.85%

Board of Directors

- James Gurry – Executive Chairman and MD
- Richard Taylor – Non-Executive Director
- Angela Lorrigan – Non-Executive Director

Key Achievements To Date

- Current management acquired the Victorian gold portfolio at \$525k, a substantial discount to the pre-suspension market cap of \$28.6m
- The flagship Stawell Corridor Gold Project has a JORC mineral resource of 304 koz and an exploration target of 280-420 koz
- All gold projects are in the advanced exploration stage with a capitalised exploration spend of \$32.7m
- The market is valuing the company at an EV/Ounce of \$14.6, which is less than a third of the peer group median EV/Ounce of \$43.9

Research Team

Nathan Oyet – Head of Research
Stuart Craigie – Associate Director

Introduction. Aureka Limited (formerly Navarre Minerals) is an Australian gold exploration company with a portfolio of advanced exploration projects across Victoria. The company's flagship project, the Stawell Corridor Irvine prospect, has a mineral resource estimate of 304 koz and an exploration target of 280-420 koz. The company also holds three other high-mineralisation gold projects: the Tandarra Joint Venture (JV), the St Arnaud and the Jubilee Gold Projects.

Bought at a Discount, Recapitalised and Relisted. Following a failed acquisition of a gold mine, AKA, which previously traded at a peak market cap of \$159m, entered into administration. However, James Gurry, the current Executive Chairman and Managing Director, purchased the company's Victorian gold projects at only \$525k, a significant discount to the portfolio's capitalised exploration spend of \$32.7m. The company's share structure was then restructured, and AKA was successfully relisted on the ASX on 12 November 2024.

Extensive Exploration Program Planned. AKA recently completed an oversubscribed \$6m placement to fund an extensive exploration program across its portfolio of tenements. The capital raised will support diamond drilling at the Stawell Corridor, Tandarra JV, St Arnaud and Jubilee Gold Projects. This exploration program is anticipated to generate substantial news flow commencing in late 2024, including the potential expansion of the Stawell Corridor's JORC mineral resource estimate. This exploration activity is expected to increase the level of investor interest in AKA.

Trading at a Significant Discount to Peers. With an EV/Ounce of \$14.6, AKA trades well below the peer median EV/Ounce of \$43.9. This means the market values each ounce in AKA's JORC mineral resources at approximately one-third the price assigned to peers. This substantial valuation gap suggests potential for considerable upside in AKA's market capitalisation as it aligns more closely with its peer group.

An Undervalued Turnaround Story with Significant Gold Exploration Potential. AKA offers investors a rare opportunity to invest in a significantly undervalued gold explorer with a clear business strategy focused on developing its highly prospective gold assets. With a strong management team in place to realise the value of the gold portfolio, AKA presents a compelling investment opportunity.

COMPANY OVERVIEW

Aureka Limited (ASX:AKA), formerly known as Navarre Minerals (NML), is an Australian gold exploration company with a portfolio of advanced exploration projects in Victoria. The company's flagship project, the Stawell Corridor Gold Project, has a mineral resource estimate of 304 koz of gold and an exploration target of a further 280-420 koz. The company also holds three other gold projects: the Tandarra JV, the St Arnaud and the Jubilee Gold Projects.

In mid-2023, following the acquisition of the Mt Carlton gold mine in Queensland and the failed re-start of the project, NML was insolvent and administrators were appointed. This led to a suspension from ASX trading in June 2023, with its last traded market cap around \$28.6m, down from a peak of \$159m in early 2022. James Gurry, now Executive Chairman and Managing Director, seized this opportunity to acquire NML's Victorian assets at a significant discount to fair value. Since then, NML has rebranded to AKA and has raised \$7.7m through convertible notes (already converted) and equity placement. AKA resumed trading on the ASX on 12 November 2024.

CORPORATE HISTORY

Acquisition of Queensland Operations

On 15 December 2021, NML completed the acquisition of the Mt Carlton gold mine and tenements from Evolution Mining for \$90m in total consideration, \$40m upfront and \$50m deferred. Mt Carlton was an established gold operation located 150km south of Townsville in Queensland. Since 2013, the mine had operated continuously, producing gold with copper and silver as by-products. Of the total consideration, NML paid \$26.8m in cash and \$13.2m in shares upfront. \$25m of the deferred consideration was payable upon realisation of gold production milestones, with another \$25m payable based on future gold production when the average spot gold price exceeded A\$2,250/oz. The newly acquired Queensland operations were placed in Navarre Minerals Queensland (NMQ), a wholly-owned subsidiary of NML.

Difficulty Fulfilling Financial Obligations Relating to the Acquisition

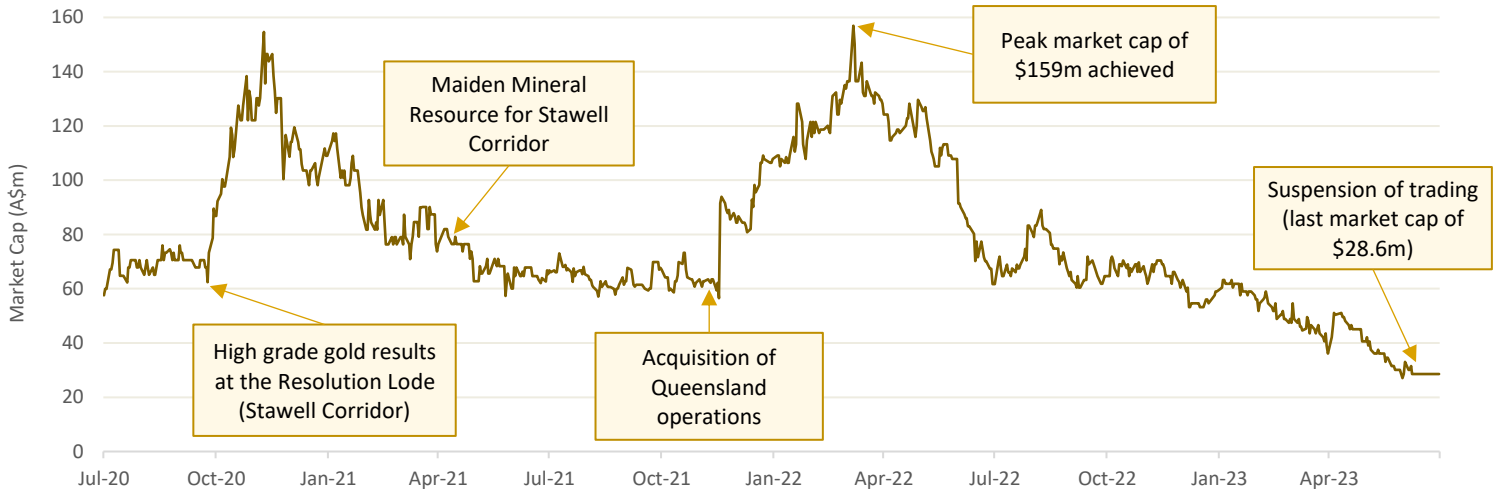
As part of the acquisition, Evolution Mining provided a transitional environmental bond/surety on behalf of NMQ. The bond was a financial provision made for the end-of-life rehabilitation of the Mt Carlton operation. The bond totalled \$32m and was to be amortised over 24 months, during which NML was required to make regular payments to Evolution Mining. The operations at Mt Carlton were pledged as security for the bond, meaning that if NML failed to meet its financial obligations, Evolution Mining would have the right to repossess the operation.

NML expected to generate sufficient cash to make the required payments to Evolution. However, during 2022, the processed gold grade of 1.87 g/t and gold recovery of 78.5% reported in the March 2022 quarter declined substantially to 1.15 g/t and 72.5% by the end of the September 2022 quarter. This resulted in the Mt Carlton mine's All-In Sustaining Cost (AISC) increasing significantly from ~\$1,650/oz at the time of the acquisition to \$3,539/oz in the September 2022 quarter. The higher-than-expected AISC significantly impacted the cash flow NML generated from its gold sales. Faced with difficulty in making the bond-related payments, NML was forced to renegotiate an extension of the agreement with Evolution Mining on the provision of the environmental bond. In December 2022, Evolution Mining agreed to the revision of the bond amortisation schedule to extend the cash payments required to fully back the bond to June 2025.

Insolvency, ASX Suspension and Appointment of Administrators

Despite the extension of the amortisation schedule, NML failed to make the required payments to Evolution Mining. The company became insolvent and requested voluntary suspension from ASX quotation on 14 June 2023 at a market cap of \$28.6m. This was followed by the appointment of BDO as administrator on 19 June 2023. As administrators, BDO commenced the process of seeking proposals to restructure and/or recapitalise the business.

With its present portfolio of gold projects, AKA previously reached a peak market cap ~\$159m



Source: Aureka Limited, S&P Capital IQ

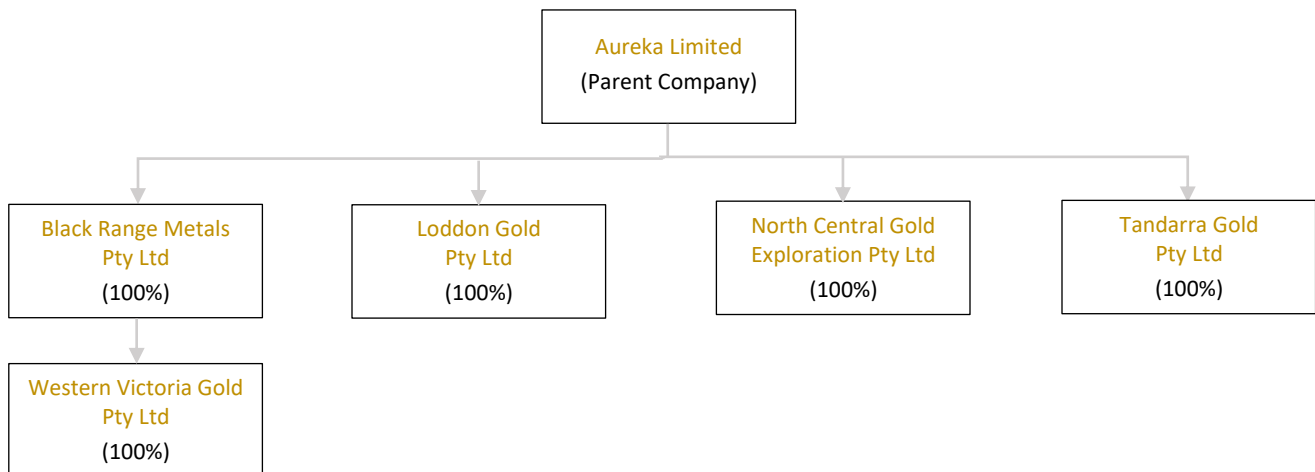
Execution of DOCA

On 18 October 2023, a Deed of Company Agreement (DOCA) was executed with the administrator. Under the DOCA, NML’s assets were to be sold, excluding the Queensland operations held by NMQ. The proceeds would be distributed to creditors, allowing NML to remain a publicly traded company. The Queensland operations under the NMQ corporate entity were placed in liquidation by secured creditors led by Evolution Mining.

Navarre Relaunch as Aureka

In April 2024, AKA’s managing director, James Gurry, proposed to recapitalise the company and relaunch it as a Victorian gold explorer. To release the company’s Victorian assets from the DOCA, a \$1.7m convertible note capital raise was completed. With \$525k paid to release the assets from DOCA, the balance funded diamond drilling at the Tandarra Gold Project JV and ASX recompliance work. On 3 June 2024, the DOCA was effectuated, and Navarre Group was released from external administration, leaving the Queensland operations and historical debt behind.

With the release of the Navarre Group from DOCA, the Victorian assets were held in five corporate subsidiaries 100% owned by Aureka Limited, the new parent company.



Recapitalisation and Relisting

As part of the recapitalisation, AKA consolidated existing shareholders’ holdings in the pre-DOCA company at a ratio of 500:1, e.g. one share for every 500 shares previously held. On 25 October 2024, the company also completed a capital raising of \$6m through the issuance of 60 million shares at a price of \$0.10. The funds raised will primarily be used to fund the company’s exploration activities, including drilling at the Tandarra project, as well as provide working capital. On the completion of the capital raise, the convertible notes were automatically converted into ordinary shares at a 35% discount to the raise price of \$0.10. On 12 November 2024, AKA relisted on the ASX at a share price of \$0.10 with the current share price at \$0.105.

At relisting, AKA’s capital structure was significantly consolidated with all debt eliminated

	Pre-Suspension	Current
Market Cap	\$28.5m	\$10.2m
Ordinary Shares on Issue	1,503 million	102 million
Debt	\$33.1m	-
Cash	\$8.2m	\$5.7m
Enterprise Value	\$53.4m	\$6.1m

MINING PROJECTS OVERVIEW

Aureka’s flagship asset is the Stawell Corridor Gold project. Within the project, the Irvine prospect has a maiden inferred mineral resource of 304 koz gold and an additional exploration target of 280-420 koz. The Langi Logan and Morning Bill prospects are the other gold targets within the Stawell Corridor Gold project. Aside from the Stawell project, AKA holds the St Arnaud, Jubilee and Tandarra JV gold projects in its portfolio. All AKA’s projects are at the advanced exploration stage and have strong gold mineralisation backed by drilling results, far from the greenfield targets we see in ASX gold explorers of similar market capitalisation.

AKA’s gold projects are located in highly prospective regions, including the Stawell Corridor and Bendigo

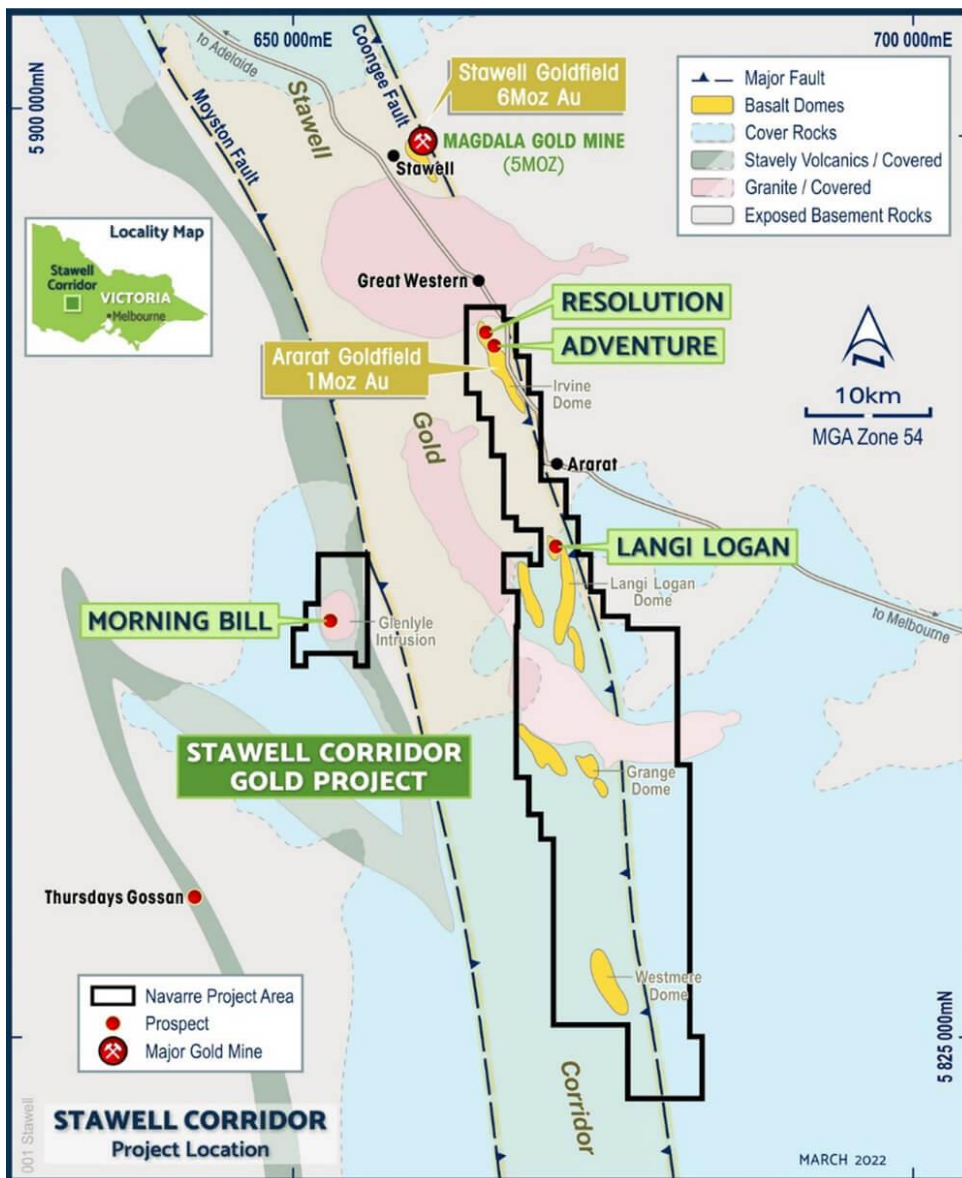


Source: Aureka Limited

STAWELL CORRIDOR GOLD PROJECT

Project Overview

The Stawell Corridor Gold Project is AKA's flagship, 100%-owned project, situated 237 km northwest of Melbourne, Victoria. Spanning a 60 km stretch of a highly prospective multi-million-ounce gold zone, the project encompasses seven key targets, extending south from the renowned Magdala Mine in Stawell. This region is home to the Stawell (~6 million ounces) and Ararat (~1 million ounces) goldfields. Within the project, AKA reported its maiden inferred Mineral Resource of 304koz at 2.43 g/t and an additional exploration target of 280-420koz on the margins of the Irvine basalt dome (Irvine Gold Prospect). The company is currently focused on undertaking drilling and exploration activities to expand its reported maiden mineral resource. Besides the Irvine gold prospect, AKA is also looking at advancing the Langi Logan high-grade gold prospect.



The Stawell Gold Project is located along the highly prospective Stawell region that has hosted multiple multi-million-ounce gold mines

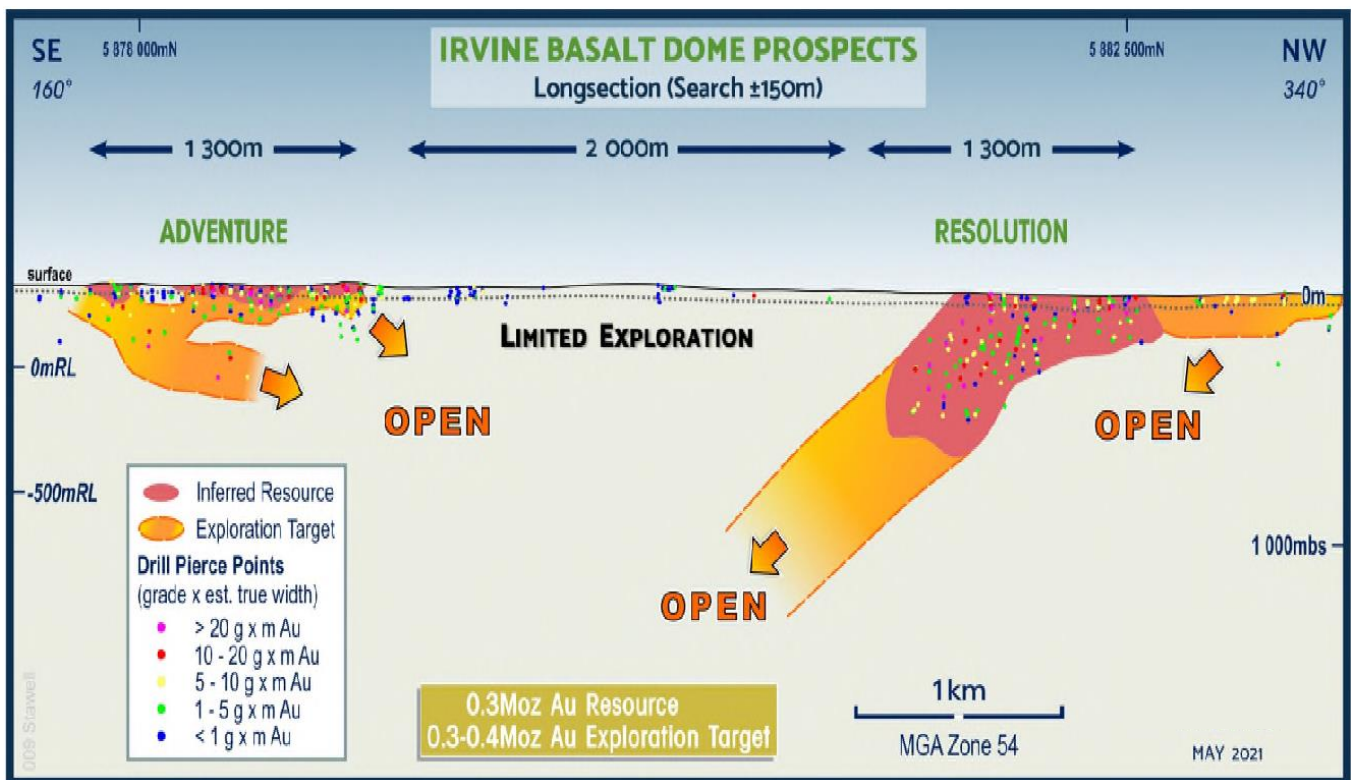
Source: Aureka Limited

Irvine Gold Prospect

Prospect Overview. The Irvine Gold prospect is located 20 km south of the operating Stawell Gold Mine. The project occupies the north end of the Ararat Goldfield, estimated to have produced approximately 1 million ounces of gold between 1854 and 1925.

Discovery of the Resolution and Adventure Lodes. In June 2017, AKA completed its first drilling program at the Irvine Gold prospect, assessing its potential to be an analogue of the multi-million-ounce Magdala gold deposit. This drilling program led to the discovery of the Resolution Lode. In December 2017, further drilling uncovered a second major discovery of oxide gold mineralisation, approximately 4 km south of the Resolution Lode on the Irvine basalt dome. This new deposit, extending along a 1.7-km quartz structure, was named the Adventure Lode. The pattern of gold distribution at the Adventure Lode has similarities to the 4.0 Moz Gold Mine at Stawell, while the Adventure and Resolution lode structures remain open at depth.

The Adventure and Resolution lode structures within the Irvine basalt dome host high gold mineralisation that remains open at depth



Source: Aureka Limited

Mineral Resource and Exploration Target. On 30 March 2021, AKA announced its maiden mineral resource and exploration target for the Resolution and Adventure prospects at the Irvine Gold Prospect. A cut-off grade of greater or equal to 0.6 g/t and a gold price of A\$2,500/oz were used to estimate the mineral resource. This resulted in an inferred gold resource totalling 3.89 million tonnes with a gold grade of 2.43 g/t to yield 304,300 ounces of gold.

Prospect	Cut-Off Gold (g/t)	Inferred		
		Tonnes	Gold Grade	Gold Ounces
Resolution (open pit)	0.6	1,754,000	2.09	118,000
Adventure (open pit)	0.6	680,000	1.85	40,300
Total Open Pit	0.6	2,434,000	2.02	158,300
Resolution (underground)	MSO*	1,455,000	3.12	146,000
Total	Variable	3,889,000	2.43	304,300

*MSO – Mineable Stope Optimiser

Using increased geological knowledge gained from diamond drilling campaigns that had happened at the time, AKA was also able to delineate an exploration target at the Adventure and Resolution lodes.

Prospect	Inferred		
	Tonnes (Mt)	Gold Grade	Gold Ounces (k oz)
Resolution	2.4 – 3.6	2.0 – 3.0	200 – 300
Adventure	1.0 – 1.6	2.0 – 3.2	80 – 120
Total	3.4 – 5.2	2.0 – 3.0	280 – 420

Mineralisation at the Resolution and Adventure prospects remains open at depth and along strike. This means there is potential to increase the mineral resource size significantly.

Planned Exploration Activities. AKA plans to initiate a 3,200-meter diamond drilling program to enhance its current 304 koz JORC resource. An air-core drilling campaign will also target the Western Flank of the Irvine Basalt Dome, extending further south to explore potential discoveries. This program seeks to identify deposits similar to the Magdala-style system found at the operating Stawell Gold Mine.

Langi Logan Gold Prospect

Prospect Overview. The Langi Logan Gold Prospect is the next key basalt dome target, located just south of the flagship Irvine Gold Prospect. Historically, over 130,000 ounces of alluvial gold were mined from the nearby Cathcart Central and New Langi Logan shafts. While the exact hard rock source of this alluvial gold remains unclear, its proximity to the Langi Logan basalt dome is seen by AKA as a promising indicator of a potential Stawell-style gold deposit in the area. The prospect consists of four potentially fault-bound segments of a Cambrian basalt dome structure, with a combined 14.5 km strike length largely concealed under more recent unmineralised cover.

Recent Exploration and Drilling Activities. AKA carried out its last drilling program at the Langi Logan prospect in June 2022. The air-core (AC) drilling program comprised 2,323 metres across 24 holes. On 24 June 2022, the company announced significant assay results from the AC drilling program that intersected gold mineralisation with anomalous silver, zinc, lead and copper. Below are some of the prominent drilling results:

- 4m @ 1.5 g/t Au, 3,2 g/t Ag and 0.1% Zn
- 1m @ 2.4 g/t Au from 76m and 1 m @ 0.2% Zn from 101m
- 1m at 2.0 g/t Au within a broader zone of 7m @ 0.4 g/t Au from 56m

Planned Exploration Activities. In the next 12 to 18 months, AKA plans to commence the next phase of drilling on the western side of the basalt dome target.

Morning Bill Gold Prospect (Glenlyle Intrusive Complex)

Prospect Overview. Situated 25 km southwest of Ararat, the Glenlyle tenement captures a large circular intrusive complex within the Dryden-Stavely Volcanic Belt. The tenement contains the Morning Bill prospect, a large gold, high grade silver and base metal discovery identified in 2018 by AKA's geological team.

Recent Exploration and Drilling Activities. During the quarter ending 30 June 2022, AKA undertook a review of the geophysics to assist with drill targeting at the Morning Bill prospect. Prior to this, in August 2021, the company announced results from a diamond core drilling program consisting of 2,994 metres across 8 holes. The drilling confirmed substantial mineralisation at depth below a broad gold, silver, copper, lead and zinc footprint. Notable assay results included the following:

- 1.9m @ 10.1 g/t Au from 142.6m, including 1.0m @ 16.5 g/t Au, 216 g/t Ag, 2.0% Zn from within a broader interval of 46.8m @ 0.5 g/t Au from 120.5m
- 9.7m @ 1.1 g/t Au from 306.8m, including 0.9m @ 4.3 g/t Au from within a broader zone of 30.5m @ 0.6 g/t Au.
- 2.5m @ 3.7 g/t Au from 364.9m, including 0.9m @ 9.1 g/t Au
- 278.9m @ 2.8 g/t Ag from 70.2m, including 1.4m @ 117.1 g/t Ag

Planned Exploration Activities. AKA plans to consult with specialist volcanic and porphyry geologists to optimise its drilling and exploration strategy for the Morning Bill prospect. The company has indicated that advancing exploration efforts will depend on the availability of funding.

TANDARRA GOLD JOINT VENTURE PROJECT

Project Overview

The Tandarra Gold Project is a gold discovery located 40 km north of the 22-million-ounce Bendigo Goldfield along the Whitelaw Fault Corridor and approximately 50 km northwest of Agnico Eagle's world-class Fosterville Gold Mine. The project is made up of three main prospects which are Tomorrow, Macnaughtan and Lawry. Tandarra is a virgin gold discovery under shallow cover in the North Bendigo Zone of Victoria. The Geological Survey of Victoria estimates the undiscovered gold endowment in the region to be around 32 million ounces. Historically, exploration efforts have been limited due to the sedimentary cover from the Murray Basin, which conceals the underlying gold mineralisation.

Joint Venture Agreement

In 2014, AKA entered a Farm-out agreement with Catalyst Metals (ASX:CYL), and in late 2018, a Joint Venture (JV) was formalised after CYL achieved a 51% interest in the project by spending \$3m. AKA retained the remaining 49% interest. CYL is the JV manager, and any expenditure on the project, e.g. drilling, is funded on a pro-rata basis.

Recent Exploration and Drilling Activities

On 28 August 2024, AKA announced its latest assay results from the Tandarra Gold JV project diamond drilling program at the Lawry prospect. The drilling program comprised seven diamond drill holes that intersected mineralised quartz veining, showing continuity of the mineralised system over 130m of strike and up to 190m below the surface. These drilling results showed that there are now multiple zones of gold mineralisation extending well into the fresh rock. The results also showed that the gold distribution at the Lawry prospect may be similar to that mined at the historic Bendigo Goldfield, where 22 million ounces of gold were produced. Below are the highlights of the assay results:

- 3.40m @ 5.97 g/t Au from 118.60m downhole including 0.80m @ 14.46 g/t from 118.6m and 1.10m @ 5.94 g/t from 120.90m
- 4.80m @ 1.43 g/t Au from 201.80, including 0.80m @ 7.18 g/t from 202.80m

Prior drilling results from the Lawry prospect include results announced from a single diamond drill hole on 17 May 2022. The drill hole returned an outstanding gold intersection of 12.9m @ 33.1 g/t Au from 66.4m, including 0.5m @ 831 g/t.

Planned Exploration Activities

Over the next 12 months, AKA plans to work with Catalyst Metals to define a large economic gold system at the Tandarra Gold Project. This will be accomplished through a diamond and air-core drilling program that is expected to commence later this year.

ST ARNAUD GOLD PROJECT

Project Overview

The 100% owned St Arnaud Gold Project is located 244 km northwest of Melbourne, Victoria. The project encompasses 1,459 km² of granted tenements, including the historic St Arnaud Goldfield, which produced 0.4 million ounces of high-grade gold. This gold was extracted from quartz lodes situated within a structural framework that aligns with many other prominent gold deposits in central Victoria, such as Bendigo and Fosterville.

The St Arnaud Goldfield comprises several lines of reefs that were worked to the edge of the overlying Murray Basin sediments. These reef trends are known as the West Field, New Bendigo (Bristol), Nelson (including New Chum line) and East Field. AKA's geological team analysed the data from the historical St Arnaud Goldfield and identified significant potential for a high-grade Fosterville-style gold mineralisation system. The team highlighted multiple structural targets, both beneath the shallow Murray Basin cover and within the exposed East Field prospect.

Recent Exploration and Drilling Activities

On 21 January 2022, AKA announced assay results from its maiden diamond drilling program on St Arnaud's Nelson line to test for shallow gold potential beneath the old Comstock open pit. The program consisted of 17 holes across 4,580m. The assay results showed that the drilling intersected two prominent quartz-sulphide-bearing structures containing broad zones of gold mineralisation and rare visible gold. Notable results include:

- 1.0m @ 13.9 g/t Au within a broader zone of 25.3m @ 1.7 g/t Au
- 4.6m @ 3.2 g/t Au and 26.9 g/t Ag from 194m
- 4.0m @ 2.4 g/t Au and 15.9 g/t Ag from 165.8m
- 8.3m @ 2.1 g/t Au and 1.6 g/t Ag from 266.7m

Planned Exploration Activities

AKA plans to conduct a geophysical and air-core program across the northern side of the tenement area to expand the mineralised footprint under shallow cover. This includes 3,500 meters of air-core drilling along the northern extension of the New Bendigo and Lord Nelson Lines. This will be followed by a targeted diamond drilling program conducted north of the Comstock historic pit and workings to expand on existing high-grade results. This involves a 1,200-meter diamond drilling program to further explore and define the gold mineralisation in this area.

JUBILEE GOLD PROJECT

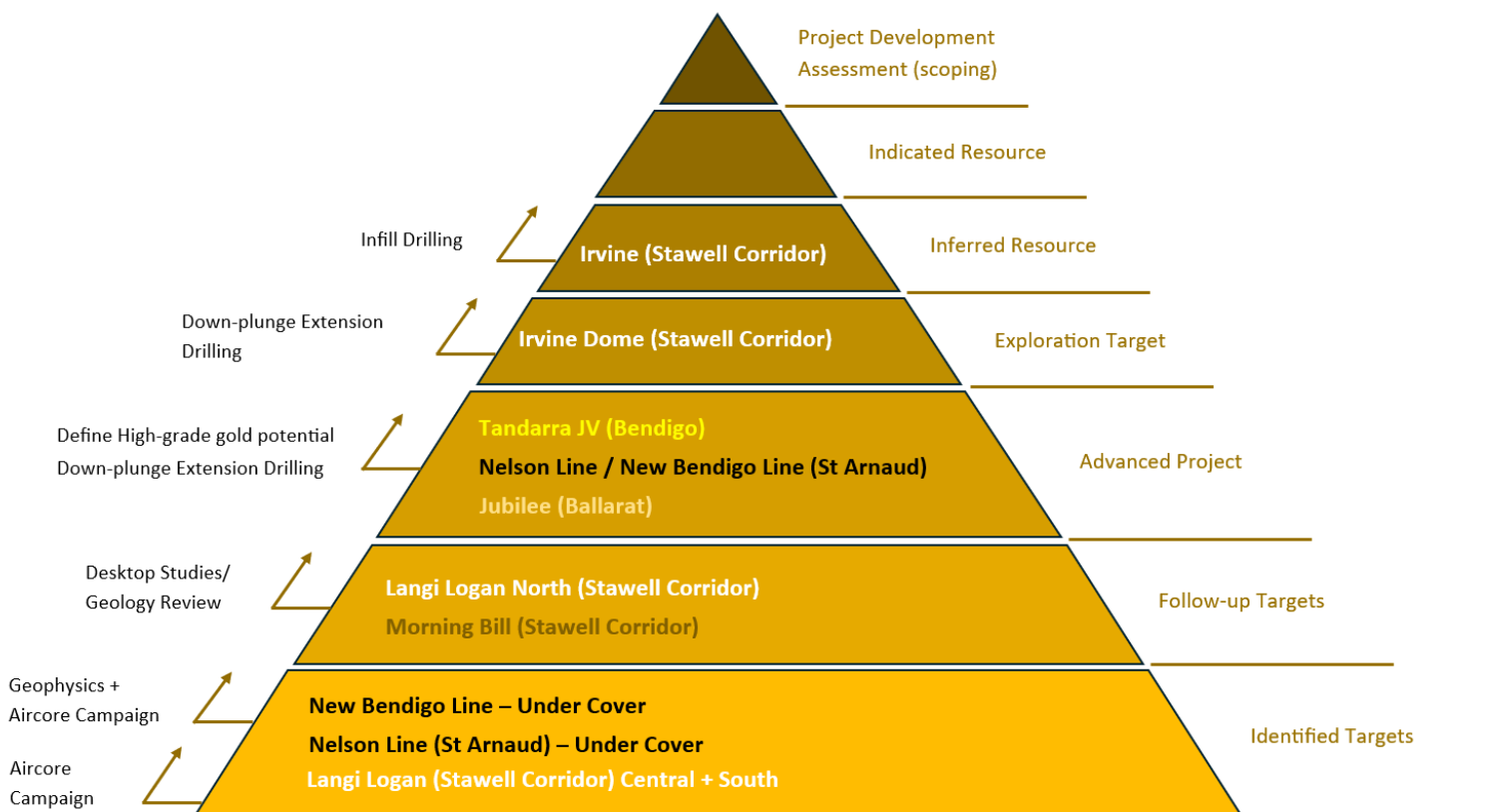
Project Overview

The 100% owned Jubilee Gold project is situated 25 km southwest of the operating Ballart Gold Mine. The project includes the historical 619m deep Jubilee Gold mine that was active between 1887 and 1913 and yielded approximately 130,000 ounces of gold at a recovered grade of ~12 g/t. The project aims to identify extensions and repetitions of a historically mined transverse, gold-bearing quartz reef. These structures share a similar geometry to the high-grade Swan-Eagle system of the prolific Fosterville Gold Mine.

Planned Exploration Activities

Following a previously completed air-core drilling campaign and geophysical study, AKA plans to carry out broad 100 x 100-metre spacing diamond drilling down dip of the historic workings to target high-grade discoveries.

AKA has formulated a continuous exploration work program to be implement over the next 12-18 months, including a 7,000-diamond drilling program



Source: Aureka Limited

FINANCIALS

Recent Capital Raising

On 25 October 2024, AKA completed an oversubscribed capital raise of \$6m through the issue of 60 million shares at \$0.10. The funding round received strong interest from prospective investors and attracted bids totalling \$9m. Excluding capital raising and re-listing costs of \$600k, the capital raise increased AKA's cash balance to \$5.7m. This cash balance will be used to fund exploration works at the company's Victorian projects as well as fund working capital requirements and administrative expenses. Below is a detailed breakdown of the source and use of funds.

	Source (Use) of Funds (\$)
Available Funds	
Existing cash balance	300,000
Funds raised	6,000,000
Capital raising costs	(600,000)
Total cash available	5,700,000
Use of Funds	
Stawell Corridor	(1,630,000)
St Arnaud	(800,000)
Jubilee	(270,000)
Tandarra Gold Project JV	(500,000)
Miscellaneous	(900,000)
Total exploration expenditure	(4,100,000)
General and administrative costs	(600,000)
Working capital	(1,000,000)
Total use of funds	(5,700,000)

Cash Burn

In the recent Q1 FY25 quarter, AKA reported net operating cash outflows of \$189k, primarily allocated to administrative and corporate expenses. These minimal costs reflect AKA's efficient operational structure, managed by a lean team consisting of only two full-time employees: Managing Director James Gurry and Exploration Manager Peter de Vries.

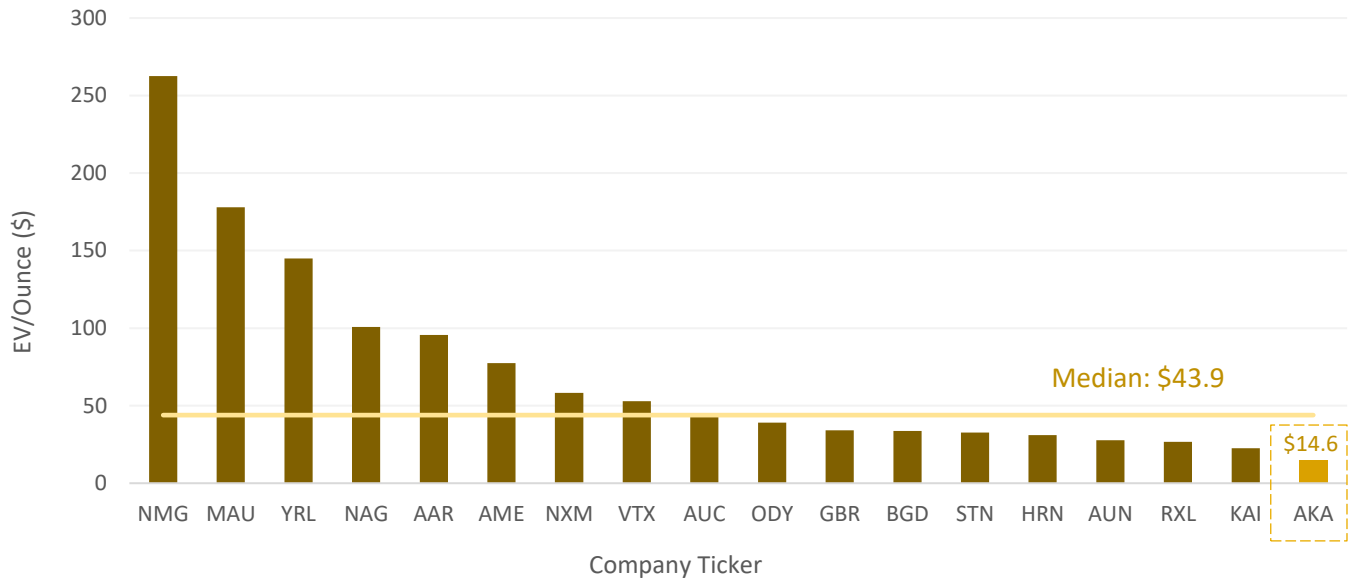
Additionally, Kenneth Bush, AKA's Exploration Strategy and Technical Advisor, is contracted through Core Prospecting, with his costs accounted for within the exploration expenditure. With no additional hiring expected in the near to medium term, AKA's cash burn on corporate and administrative expenses is expected to remain relatively low in the near to medium term. As a result, the company cash will predominantly be channelled to the exploration and progression of its gold assets.

Comparable Company Analysis

Peer Selection Criteria. The gold companies chosen for the comparable company analysis are gold exploration companies with a predominant focus on gold projects in Australia with a defined JORC Mineral Resource Estimate.

Undervalued on an EV/Ounce Basis. The primary valuation metric used in this analysis is EV/Ounce, which is calculated by dividing a company's enterprise value by its total ounces of gold as defined in its JORC Resource Estimates. As illustrated in the exhibit below, AKA has an EV/Ounce of \$14.6, significantly lower than the peer group median of \$43.9. Notably, AKA holds the lowest EV/Ounce within its peer group, indicating that its mineral resource is undervalued by approximately 200% relative to its peers. This substantial valuation gap suggests potential for upward adjustment in AKA's market capitalisation as it aligns more closely with the peer median.

AKA's EV/Ounce of \$14.6 is considerably lower than the peer median of \$43.9

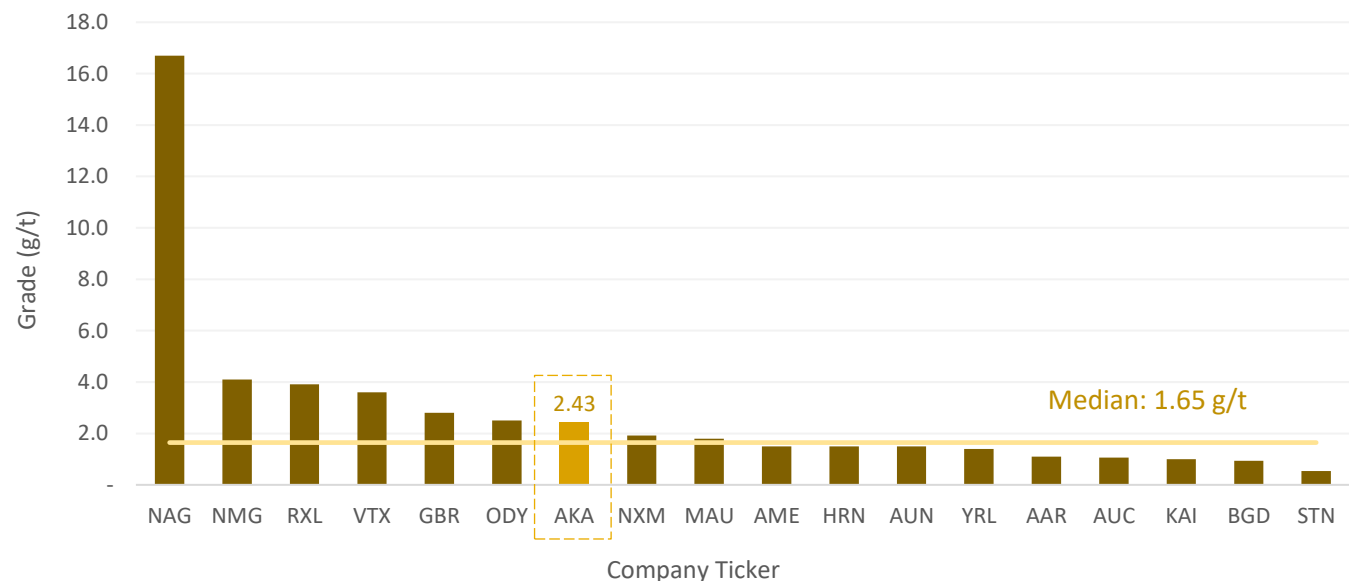


Source: Canary Capital Estimates (as of 5 Dec 2024)

While AKA has an exploration target of 280-420 koz at the Stawell Corridor Gold Project, we have excluded this from the comparable company analysis. This conservative approach to assessing AKA's market cap on a relative basis further emphasises the company's attractive valuation and the potential for significant upside.

Aside from being undervalued on an EV/Ounce basis, AKA also has a higher gold grade of 2.43 g/t relative to the peer median of 1.65 g/t. AKA's higher gold grade reinforces our view that the company is materially undervalued and should experience share price appreciation to bring its relative valuation to par with gold peers.

Despite being undervalued on a relative basis, AKA's gold grade is higher than the peer median



Source: Canary Capital Estimates (as of 5 Dec 2024)

DIRECTORS AND KEY MANAGEMENT

James Gurry (Executive Chairman and Managing Director)

James is a former stockbroker analyst with extensive research experience covering mineral resource companies, particularly in the gold sector. Prior to joining AKA as managing director, he was a Director and Senior Analyst at PAC Partners Securities, specialising in small resource companies. Before joining PAC Partners, James was the Director and Head of Natural Resources Equity Research at Deutsche Bank Australia and spent 11 years in similar roles at Credit Suisse in both Sydney and London.

James has previously held the position of Non-Executive Director at ASX-listed Red Hawk Mining (ASX:RHK). He holds a Bachelor of Commerce (Honours) from the University of Melbourne and is a member of Chartered Accountants Australia & New Zealand.

Richard Taylor (Non-Executive Director)

Richard has deep experience in executive leadership through the numerous senior executive roles he has held in the resources sector over more than 15 years. Besides AKA, Richard is currently a Non-Executive Director at Premier1 Lithium (ASX:PLC), a Western Australian lithium explorer. Richard was previously CEO at Terramin Australia (ASX:TZN), a base and precious metals explorer, and SensOre Ltd, a technology company applying machine learning to resource discovery. Richard holds an MBA from the University of Cambridge and a master's degree in law from ANU.

Angela Lorrigan (Non-Executive Director and Technical Director)

Angela brings a wealth of geological experience to AKA, having worked on numerous gold projects. This includes Southern Cross Gold's (ASX: SXG) Sunday Creek, Redcastle and Whroo projects in Victoria. Prior to Southern Cross Gold, she was instrumental in the extension of the K Lens Resource at Roseberry Mine in Tasmania and was general manager in the PYBAR Group, which drove the re-opening of the Henty Gold Mine in Tasmania. Angela is a current member of the Tasmanian Minerals, Manufacturing and Energy Council (TMEC) – Land Management Committee and, in 2023, was awarded the Twelvetrees Medal for outstanding contributions to Tasmanian Geology.

Peter de Vries (Exploration Manager and Engineer)

Peter brings extensive expertise in both underground and open-pit mining operations. As Operations Manager at E79 Resources, he led key initiatives such as drill contract development, managing government relations, and contributing to the discovery of a major gold deposit at the Happy Valley Project. He has also previously held the position of Geology Manager/Acting CEO at AuStarGold Ltd, leading to the discovery of two new gold-bearing reefs. Before that, Peter was the Manager of Geology at Centennial Mining Ltd and played a significant role in bringing the A1 Gold Mine into production.

Kenneth Bush (Exploration Strategy and Technical Advisor)

Kenneth has extensive experience working across numerous high-grade gold mines and exploration projects around the world. This includes the Costerfield Mine, Fosterville Mine, and most recently the Southern Cross Gold Sunday Creek project. Kenneth holds a Master of Economic Geology from the University of Tasmania and a Bachelor of Science (Honours) in Geology from Monash University.

INVESTMENT THESIS

Clear Business Strategy

AKA's business strategy has been refocused on developing its highly prospective portfolio of gold projects in Victoria. The company has also formulated a clear and robust exploration program to extend the mineralisation of its existing projects and discover new highly mineralised prospects. The company recently raised \$6m to execute its new strategy. Additionally, by focusing on Victoria, AKA is set to benefit from the recent reforms made by the Victorian government to attract and facilitate gold exploration. This includes the expedition of the processing of mining permits and exploration licenses.

AKA is also developing relationships with nearby gold companies in the Stawell Corridor such as Agnico Eagle, the owner and operator of the prolific Fosterville Gold Mine. This creates the potential for collaboration where a partner could come in to help progress AKA's projects. This could be through a strategic partnership to move AKA's projects into production or an outright purchase of the projects. We believe AKA's strategic focus on its Victorian assets, along with its planned exploration program and pursuit of partnerships to advance its projects, set the company on a path towards maximising the value of its gold assets.

Significant Investment Upside

AKA has a strong portfolio of highly prospective gold projects that were acquired from DOCA at \$525k, a significant discount to their fair value. To put this discount into perspective, AKA's market cap peaked at \$159m before its suspension, based on the same gold assets it currently holds. Additionally, the capitalised exploration and evaluation spend on AKA's gold projects totals \$32.7m across the Stawell Corridor (\$20m), Tandarra Gold JV (\$7.3m) and St Arnaud (\$5.3m) projects. These figures far exceed AKA's current market cap of \$10.2 million, underscoring the substantial undervaluation of the company.

Compared to its peers, AKA is notably undervalued. With an EV/Ounce of \$14.6, AKA trades well below the peer median EV/Ounce of \$43.9. This means the market values each ounce in AKA's portfolio at approximately one-third the price assigned to ounces in comparable companies. It is worth noting that AKA's JORC was prepared at a gold price of A\$2,500 per ounce. In mid-2025, the company plans to update its Stawell Corridor Irvine Prospect JORC in line with current record gold prices that exceed A\$4,000. This is expected to significantly improve the size and value of the mineral resource. This mineral resource update, along with execution of the rest of the exploration program, will generate substantial news flow in the near to medium term. This is expected to increase market awareness about the company, which we believe will catalyse AKA's share price appreciation towards fair value.

Successful Management

AKA's management team brings a wealth of technical expertise and industry experience, positioning the company to unlock the full value of its gold projects. Leading the team is James Gurry, whose extensive background as a research analyst specialised in covering gold companies has honed his ability to assess valuable gold assets from a financial standpoint. This expertise enabled James to recognise AKA's potential as an undervalued gold explorer and acquire its assets from DOCA at a substantial discount.

The team is further strengthened by Non-Executive Director Richard Taylor, a seasoned executive in the resources sector. With prior roles, including CEO of ASX-listed Terramin Australia (market cap - ~\$180 million), Richard brings a strategic perspective to corporate and business planning focused on enhancing shareholder value.

On the technical front, Technical Director and Non-Executive Director Angela Lorrigan adds comprehensive geological expertise, with a track record that includes key contributions to projects such as Southern Cross Gold's (ASX:SXG) flagship Sunday Creek. Angela's expertise is expected to play a critical role in both extending AKA's current Mineral Resource Estimates and discovering new prospects with rich gold mineralisation.

Under the noteworthy stewardship of its new management team, AKA has raised sufficient capital to fund its exploration activities and has crafted a robust exploration strategy aimed at driving strong news flow. We are confident that AKA's leadership is well-positioned to unlock the value of its gold assets and deliver significant returns to shareholders.

INVESTMENT RISKS

Insufficient Cash to Finance Operations

Failure to raise capital to fund exploration activities as well as corporate overhead could impact AKA's ability to fully realise the value of its gold portfolio. The \$6m recently raised gives AKA sufficient capital to fund substantial exploration programs and achieve significant milestones such as an increased JORC resource at Irvine and mineral resource extension at the Stawell Corridor project. Additionally, the company is exploring collaboration with other gold companies in the Stawell Corridor that can develop AKA's gold assets further through a strategic partnership or outright purchase. This provides AKA an option to realise the value of its gold portfolio in the event that it is unable to sufficiently fund the development of its assets.

Poor Drill Results

Poor results from AKA's ongoing exploration program could adversely impact the company's market valuation. However, historical drill results across the company's portfolio have consistently indicated gold mineralisation, reducing the likelihood of disappointing outcomes from further exploration activities. Additionally, AKA trades at a considerable discount compared to its ASX-listed peers, with an EV/Ounce of \$14.6 versus a peer median of \$43.9. This valuation gap provides investors with a substantial margin of safety, offering protection against potential downside in the company's share price.

Aureka Limited is a Canary Capital-mandated company. Canary Capital Pty Ltd, its directors and associates own shares and options in Aureka Limited.

Contact Details

Paul Hart - Executive Director
Canary Capital
M: 0421 051 474
E: phart@canarycapital.com.au

Arun Sengupta - Executive Director
Canary Capital
M: 0417 617 181
E: asengupta@canarycapital.com.au

General Advice Warning

Please note that any advice given by Canary Capital Pty Ltd (Canary Capital) as a corporate authorised representative (CAR number 1254859) of BR Securities Australia Pty Ltd (ABN 92 168 734 530) which holds AFSL 456663 is GENERAL advice, as the information or advice given does not take into account your particular objectives, financial situation or needs. Before acting on the advice, you should consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Product Disclosure Statement or like instrument. Canary Capital Pty Ltd | ABN 18 618 657 640 | www.canarycapital.com.au. Our Financial Services Guide (FSG) is available on the Canary Capital website <https://canarycapital.com.au/financial-services-guide/>

Disclaimers

Canary Capital provides this financial advice as an honest and reasonable opinion held at a point in time about an investment's risk profile and merit and the information is provided by the Canary Capital in good faith. The views of the adviser(s) do not necessarily reflect the views of the AFS Licensee. Canary Capital has no obligation to update the opinion unless Canary Capital is currently contracted to provide such an updated opinion. Canary Capital does not warrant the accuracy of any information it sources from others. All statements as to future matters are not guaranteed to be accurate and any statements as to past performance do not represent future performance. Assessment of risk can be subjective. Portfolios of equity investments need to be well diversified and the risk appropriate for the investor. You acknowledge that you have assessed your own risk profile, with or without assistance from an AFSL holder licensed to provide such an assessment. We aren't licensed to assess your personal risk profile. Equity investments in listed or unlisted companies yet to achieve a profit or with an equity value less than \$50 million should collectively be a small component of a balanced portfolio, with smaller individual investment sizes than otherwise. Investors are responsible for their own investment decisions, unless a contract stipulates otherwise. Canary Capital does not stand behind the capital value or performance of any investment. Subject to any terms implied by law and which cannot be excluded, Canary Capital shall not be liable for any errors, omissions, defects or misrepresentations in the information (including by reasons of negligence, negligent misstatement or otherwise) or for any loss or damage (whether direct or indirect) suffered by persons who use or rely on the information. If any law prohibits the exclusion of such liability, Canary Capital limits its liability to the re-supply of the Information, provided that such limitation is permitted by law and is fair and reasonable.

Disclosures

Paul Hart and Arun Sengupta are directors and authorised representatives of Canary Capital. They certify that any advice given by them or any other authorised representative of Canary Capital reflects their honest view of a company. Directors and authorised representatives of Canary Capital may own securities in companies they recommend, which will be declared if they ever give advice. Authorised representatives receive a share of the brokerage and origination fees earned by Canary Capital in relation to companies they recommend, so they rely on their skills at selecting good investment opportunities for clients of Canary Capital. Canary Capital, its directors and associates and employees receive fees and share options from companies to which Canary Capital is mandated to provide corporate advisory services. The companies currently mandated are AKA, BIO, NYR, REZ, RNV, DekkoSecure and Lava Blue.

Confidentiality Notice

This email (and any attachments) is intended only for the addressee and may contain information which is confidential and privileged. If you are not the addressee you may not use, disseminate or copy this information. If you have received this information in error, please notify us immediately and destroy this email and attachments. We do not guarantee the integrity of any e-mails or attached files and are not responsible for any changes made to them by any other person.