Bonanza Gold Hits and Funded Mine Development Strengthen GA8 Investment Case

Metals & Mining

We are revising our target price for GoldArc Resources (ASX: GA8) upward to $0.20, implying a compelling 187% total upside from the current $0.07 share price and marking an uplift of 20% from our December 2025 Initiation Report. GoldArc is a Leonora-focused Western Australian gold developer-explorer with two partner-funded development pathways, a rapidly expanding high-grade discovery pipeline, and a freshly funded 12-month drilling program. Since our last report, five developments have materially de-risked the investment case and created a clear re-rating opportunity: Mt Stirling advancing toward partner-funded production with a H2 CY2026 commencement target, the MMS binding term sheet converting Orion-Sapphire into a second funded development pathway with Q1 CY2027 production targeted, bonanza-grade drilling confirming a coherent 5km multi-deposit gold trend at Niagara, a high-grade new discovery at Cosmopolitan with multiple mineralised zones, and a $7.2m placement co-invested by BMLV. Each of these milestones reduces execution risk and brings GoldArc closer to cash flow generation, supporting a meaningful re-rating.

Mt Stirling Moves Advances Toward Partner-Funded Production

GoldArc secured 100% ownership of Mt Stirling after the vendors converted their remaining 10% interest into a 2% Gross Smelter Royalty, immediately unlocking the BMLV partnership and allowing grade-control drilling to commence under a fully funded, partner-operated structure. The ~34,000m BMLV-funded RC grade control program is advancing through Phase 1, with the first two assay batches confirming grade continuity through the shallow benches planned for open-pit development, highlighted by 10m @ 8.04g/t Au, 9m @ 6.32g/t Au, and 9m @ 5.01g/t Au. Under the BMLV profit-share agreement, BMLV funds 100% of capital and operating costs and manages all mining activities, with GoldArc retaining a 50% net profit share after cost recovery, a structure that delivers near-term cash flow exposure without equity dilution. Mining commencement is targeted for Q3/Q4 CY2026.

MMS Binding Term Sheet Delivers a Second Capital-Light Development Pathway

The MMS agreement has been upgraded from a non-binding LOI to a binding term sheet, committing MMS to fund 100% of initial development expenditure at Orion and Sapphire up to $20m, recoverable from project proceeds, with residual cashflows distributed 50:50. For investors, this is significant as GoldArc now has two independently funded development pathways advancing simultaneously, without requiring additional equity to progress either project to production. The Niagara RC program, also MMS-funded, delivered compelling validation of the Leonora South scale thesis, returning bonanza grades across a 5km multi-deposit trend, confirming that the Leonora South hub is not reliant on a single isolated deposit. Production at Orion-Sapphire is targeted for Q1 CY2027.

Placement Funds and Exploration Supports Continued Re-Rating

Following recent milestones, we value GA8 at $0.18 in our base case (158% upside) and $0.22 in our bull case (216% upside), relative to the current share price of $0.07. Using the midpoint of these scenarios, our **$0.20 target implies 187% upside**. The $7.2m placement, with BMLV and principals co-investing $1.5m and directors committing $135,000, subject to shareholder approval, demonstrates a strong balance sheet position for GA8. With two funded development pathways, multiple active high-grade discovery fronts, and a systematic drilling program now resourced to run through 2026 and into 2027, GoldArc has the operational and financial platform to convert recent momentum into resource growth, cash flow and sustained share price re-rating.

Date	25 May 2026
Current Price (A$)	0.07
Target Price (A$)	0.20
Market Cap (A$m)	40.11
52-week L/H (A$)	0.01/0.10
Free Float (%)	66.13%
Bloomberg	GA8 AU
Reuters	GA8.AX

Price Performance (in A$)

Source Capital IQ

Business description

GoldArc Resources Ltd (ASX: GA8) is a Leonora-focused gold developer-explorer advancing its Leonora North and Leonora South assets while building a broader regional growth platform through high-grade discovery and partner-supported development pathways. The BMLV and MMS partnerships provide potential development routes that reduce GoldArc's direct capital burden, while defined resources across the project base support future mining studies and hub-scale planning. Recent drilling has strengthened confidence in the broader Leonora portfolio, and the May 2026 placement provides funding capacity for a more aggressive 12-month exploration campaign targeting resource growth.

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Disclosure - Readers should note that East Coast Research has been engaged and paid by the company featured in this report for ongoing research coverage.

Investment Rationale

Investment Thesis: GoldArc Resources (ASX: GA8)

GoldArc Resources is a Western Australian gold exploration and development company focused on the Leonora and Kookynie districts of the Eastern Goldfields. The company holds the 100%-owned Leonora North Gold Project, including Mt Stirling and Stirling Well, and the Leonora South Gold Project, including Orion, Sapphire, Eclipse, Justice, Euroa, Cosmopolitan, Whistler and Woodpecker. GoldArc's current JORC Mineral Resource base totals 3.437Mt @ 1.82g/t Au for 200,014oz, with 152,000oz at Leonora North and approximately 48,000oz at Orion-Sapphire. GoldArc's case has strengthened through defined resources, partner-funded development, high-grade discovery growth, recent drilling success and new funding for expanded exploration

1. Capital-Light Development Model Reduces Funding Pressure

GoldArc's most important structural advantage is that two development pathways are being advanced through external operating partners. At Mt Stirling, BMLV funds the mining pathway under a profit-share model, while GoldArc retains a 50% net profit share. At Orion-Sapphire, MMS has agreed to fund initial development expenditure up to $20m, recoverable from project proceeds, with residual proceeds distributed 50:50 after recovery. For a junior mining company, this is significant because the transition from resource definition to production is usually capital intensive and often requires substantial equity dilution. GoldArc's model does not remove execution risk, but it does materially reduce the near-term funding burden attached to mine development.

2. High-Grade Results Improve the Case for Mineable Gold Systems

GoldArc's recent drilling has delivered high-grade results across Mt Stirling, Niagara and Cosmopolitan. A drill intercept such as 8m @ 66.76g/t Au means the drillhole intersected eight metres of mineralisation averaging 66.76 grams of gold per tonne, although reported widths are downhole and may not represent true width. The significance is not only the grade, but the distribution of high-grade results across multiple deposits. Mt Stirling grade control supports near-term mine planning, Niagara demonstrates a coherent 5km multi-deposit gold trend, and Cosmopolitan confirms that high-grade mineralisation remains outside historical workings. Together, these results strengthen confidence that GoldArc is not reliant on a single isolated target.

3. Funded Exploration Pipeline Provides Resource Growth Optionality

GoldArc's exploration pipeline has expanded materially across Leonora North and Leonora South. The company now has active or planned drilling across Mt Stirling S1-S7, Yttria, Chert, Cosmopolitan, Whistler, Woodpecker and other regional targets. The $7.2m placement is important because it funds a 12-month exploration program targeting both extensions to known resources and new discoveries. For investors, this creates multiple potential re-rating pathways: resource growth at existing deposits, new high-grade discoveries, maiden resources at advanced prospects such as Eclipse, or validation of larger-scale structures such as the Ursus Fault and Yttria anomalies.

These factors support a target price of $0.20

Under our sum-of-parts valuation, we apply a blended methodology comprising a 75% weighting to Net Asset Value (NAV), derived from production-based cash flow analysis, and a 25% weighting to a market resource multiple. This framework produces a fair value range of $0.18 to $0.22 per share, implying 158% to 216% upside from the last close. Importantly, this valuation is anchored to currently defined resources and does not fully capture potential upside from future discoveries, resource upgrades or additional high-grade extensions.

Catalysts: Mt Stirling mine planning, BMLV production progress, MMS-backed Orion-Sapphire development, Niagara/Cosmopolitan resource work, and Leonora North/Yttria drilling.
Risks: Gold price volatility, mining execution, partner dependency, resource continuity/conversion risk, and permitting or toll-treatment delays.

Key Developments Since Last Report

Since our last report, GA8 has delivered five key developments that strengthen the investment case and enhance its development and growth profile.

- **Corporate funding and execution capacity improved:** GoldArc received commitments for an $7.2 m placement through the issue of up to 102.9m new shares at $0.07 per share, with BMLV and its principals subscribing for $1.5m and directors committing $135,000, subject to shareholder approval. The March quarter also confirmed Ziggy Lubieniecki's move into an executive technical role, strengthening exploration leadership.
- **Mt Stirling moved closer to production:** GoldArc secured 100% ownership, satisfied BMLV partnership conditions, commenced a ~34,000m grade control program and reported multiple high-grade results from the first two assay batches. These milestones improve confidence in the planned open-pit pathway.
- **Leonora South gained a binding partner-funded development pathway:** MMS will fund 100% of initial development expenditure at Orion and Sapphire up to $20m, with residual project proceeds distributed 50:50 after cost recovery. This provides GoldArc with a second capital-light development pathway.
- **Niagara and Cosmopolitan strengthened the high-grade hub thesis:** Niagara drilling returned bonanza grades across a 5km trend, while Cosmopolitan confirmed a high-grade Main Zone and a structurally distinct Upper Zone. These results materially broaden the scale and grade potential of Leonora South.
- **The exploration pipeline expanded materially:** Whistler, Woodpecker, Kookynie and Yttria have added multiple active or drill-ready targets, while the new placement funds a 12-month exploration push across Mt Stirling S1-S7, Yttria, Chert, Cosmopolitan and regional soils.

Project development

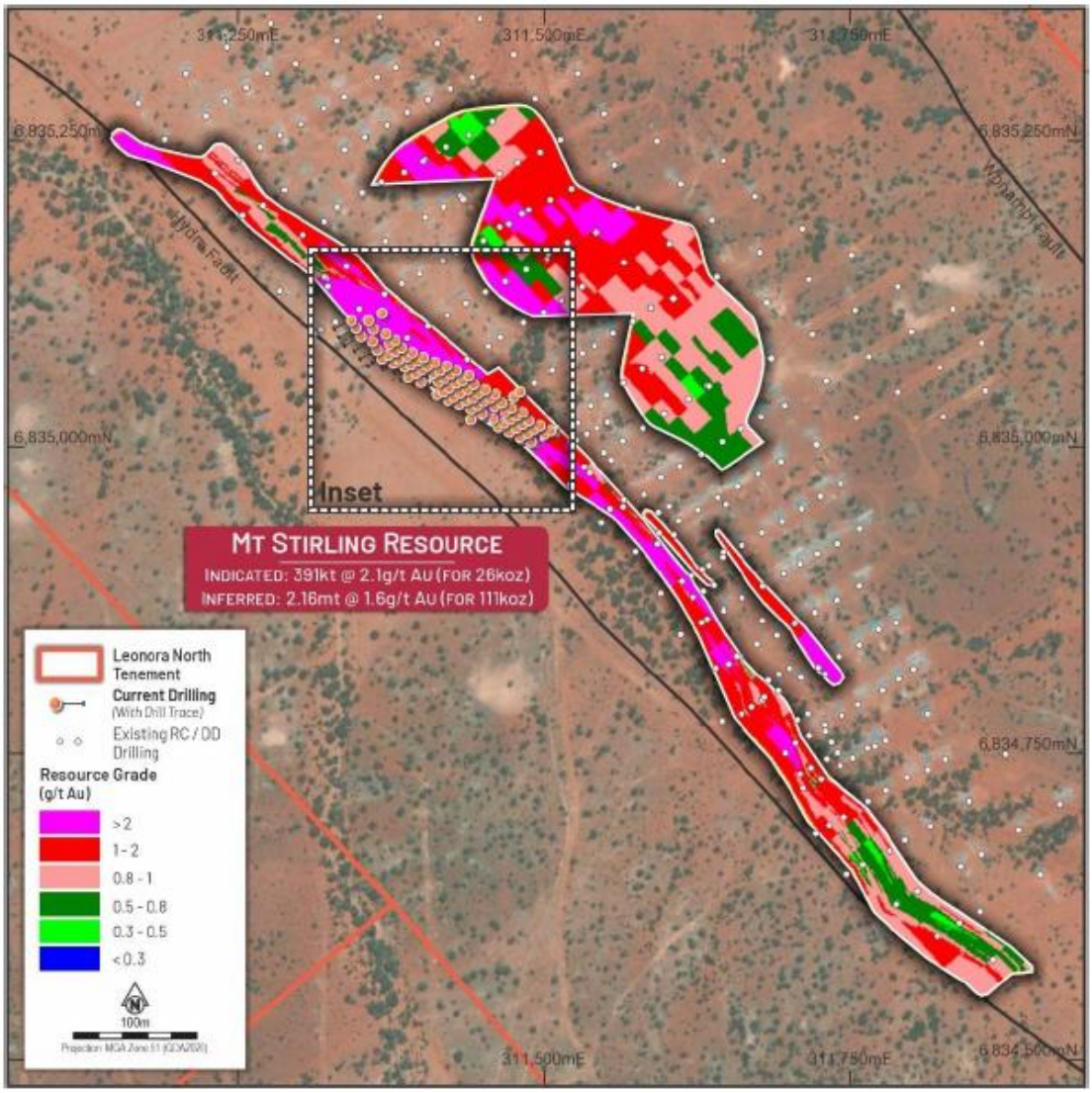
Mt Stirling Moved Closer to Development Through 100% Ownership and BMLV-Funded Grade Control

Mt Stirling has moved from ownership simplification into active mine-planning execution. GoldArc secured 100% ownership of Mt Stirling after the vendors converted their remaining 10% interest into a 2% Gross Smelter Royalty. The BMLV partnership then became unconditional, allowing GoldArc to commence drawdowns on the $2.5m Profit Cash Advance Facility and progress the partner-funded mining pathway. This is significant because the asset is now controlled by GoldArc, while the operational and funding pathway is being advanced with an experienced mining partner.

The ~34,000m grade control program is a key technical milestone. Grade control drilling is high-density drilling completed before mining to refine ore boundaries, reduce dilution and improve short-term mine scheduling. The first assay batch returned 10m @ 8.04g/t Au, 9m @ 6.32g/t Au and 9m @ 5.01g/t Au, while the second batch returned 3m @ 6.89g/t Au, 3m @ 6.00g/t Au and 3m @ 5.13g/t Au. These results support the view that the high-grade shoots are continuing through the shallow areas being assessed for potential open-pit development, with 10,800m drilling completed out of the 34,000m program:

- **Ownership structure simplified:** GoldArc now holds 100% of Mt Stirling, improving control over development decisions.
- **Partner-funded pathway active:** BMLV funds the grade control and mining pathway, with GoldArc retaining a 50% net profit share.
- **Grade control program underway:** The program comprises approximately 34,000m of RC drilling, designed to support mine planning and reserve work.
- **Assay results support continuity:** Multiple intercepts above 5g/t Au and 6g/t Au support continuity of higher-grade zones within planned near-surface benches.
- **Production pathway remains targeted:** The May 2026 announcement refers to Mt Stirling mine plan advancement with BMLV and a targeted mining commencement in Q3/Q4 CY2026.

Figure 1: Plan View of Grade Control RC Drilling and the Block Model at Mt Stirling Gold Deposit



Source: Company

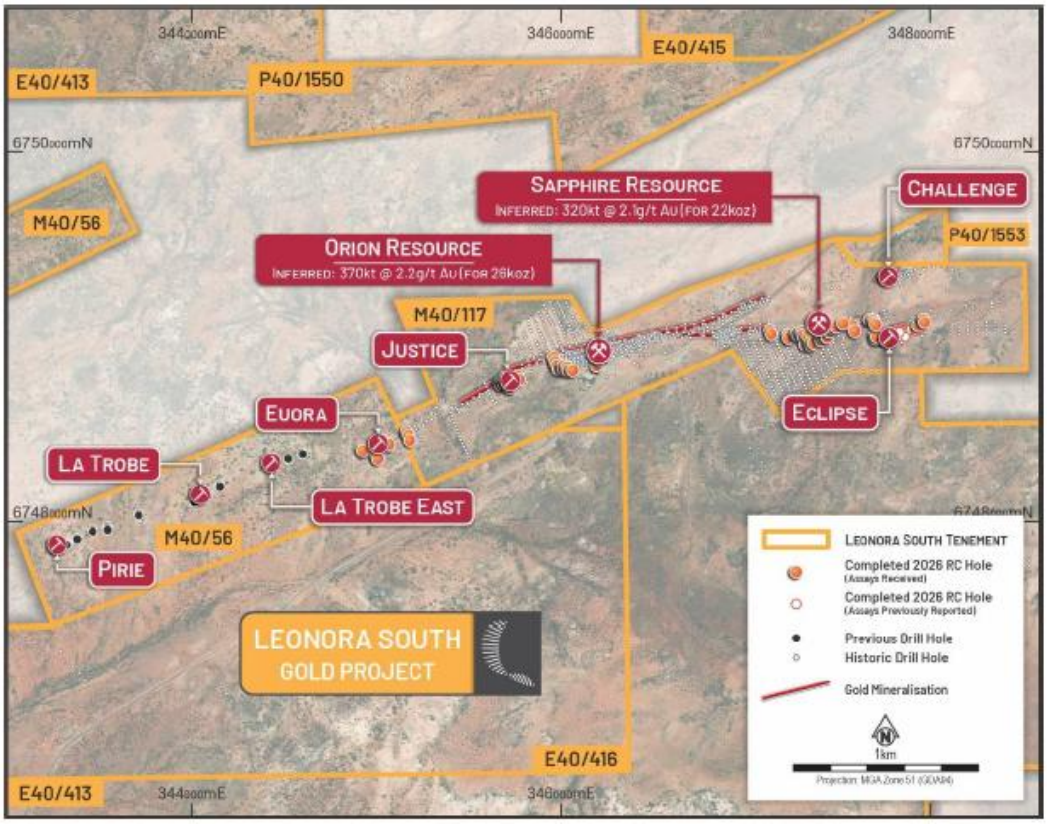
Leonora South Development Case Strengthened by MMS Agreement and Niagara Bonanza Results

The MMS binding term sheet materially strengthened the Leonora South development pathway. MMS will fund 100% of initial development expenditure for Orion and Sapphire up to a $20m threshold, recoverable from project proceeds. After the agreed cost waterfall, residual project cashflows are distributed 50:50 with production targeted for Q1 CY2027. This is a meaningful development because Orion and Sapphire already host a JORC 2012 Inferred Mineral Resource of approximately 48,014oz at ~2.15g/t Au, providing a defined resource base for development work. An Inferred Resource is the lowest confidence resource category under the JORC Code, so additional drilling is required before detailed mine planning can rely on it with higher confidence.

The Niagara drilling results materially broadened that base. The 85-hole, 5,748m MMS-funded RC program returned bonanza grades across the 5km Niagara trend, including 8m @ 66.76g/t Au at Sapphire, 3m @ 52.58g/t Au at Orion, 2m @ 47.92g/t Au at Justice and 4m @ 9.43g/t Au at Eclipse. The key point is that these results were not confined to one deposit. They were distributed across several prospects along the same trend, strengthening the case for a coherent multi-deposit hub rather than a single isolated resource.

- **MMS agreement is binding:** The Orion-Sapphire development framework is now enforceable, subject to formal documents and conditions precedent.
- **Initial development funding risk reduced:** MMS funds 100% of initial development expenditure up to $20m, recoverable from project proceeds.
- **Defined starting inventory:** Orion and Sapphire host approximately 48,014oz at ~2.15g/t Au.
- **Niagara grade case strengthened:** High-grade results were returned from Sapphire, Orion, Justice and Eclipse across the 5km trend.
- **Eclipse resource pathway advanced:** Eclipse drilling supports progression toward a maiden Mineral Resource Estimate and initial pit optimisation.

Figure 2: Drill Collars at Kookynie Project (Niagara Trend)



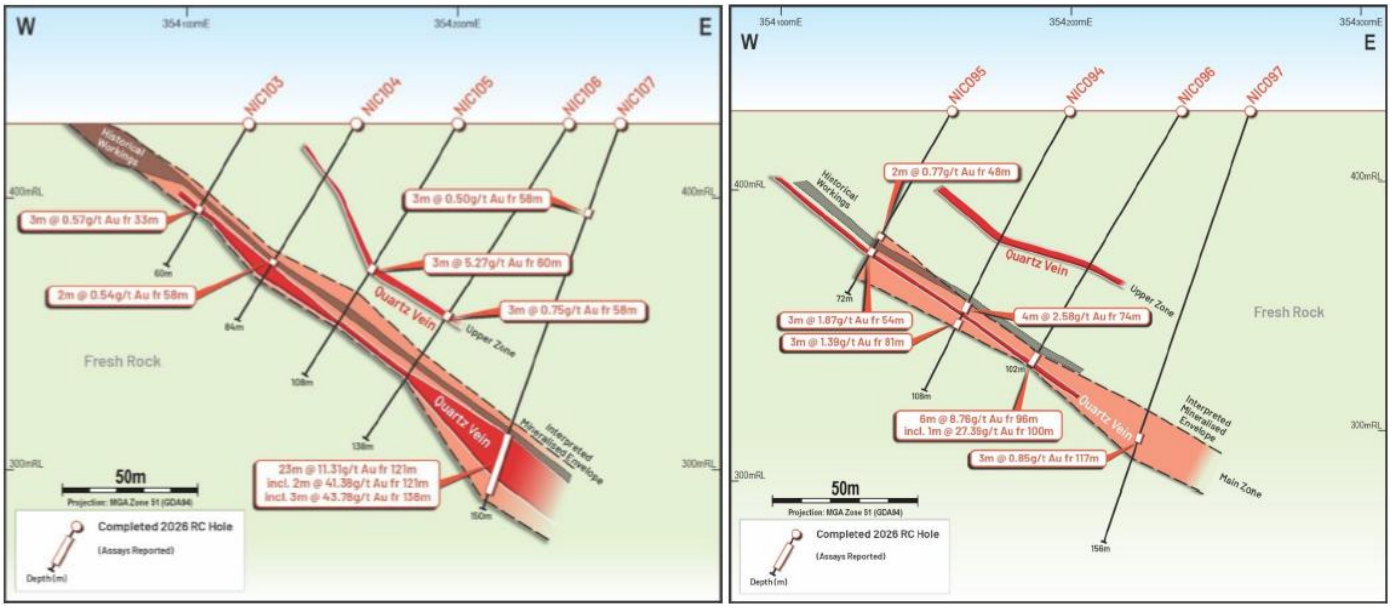
Source: Company

Cosmopolitan Confirms High-Grade Growth Potential Beyond Historical Workings

Cosmopolitan has become a material addition to the Leonora South growth case. The prospect historically produced approximately 360,000oz at an average grade of ~15g/t Au, providing strong evidence that the system was capable of producing high-grade ore. GoldArc's first-pass 18-hole, 2,022m RC program confirmed that high-grade mineralisation remains outside the historical workings, with a standout Main Zone intercept of 23m @ 11.31g/t Au from 121m, including 2m @ 41.38g/t Au and 3m @ 43.78g/t Au.

The program also identified a separate Upper Zone approximately 30m to 40m above the Main Zone, including 1m @ 45.86g/t Au from 41m and 3m @ 5.27g/t Au from 60m. This is important because it suggests Cosmopolitan may not be limited to remnant mineralisation around old workings. Instead, the drilling supports at least two structurally distinct mineralised zones, with mineralisation open along strike and at depth. Broad drill spacing of 60m to 80m also leaves room for follow-up drilling to refine continuity and scale.

Figure 3: Cosmopolitan Main Zone and Upper Zone cross-sections



Source: Company

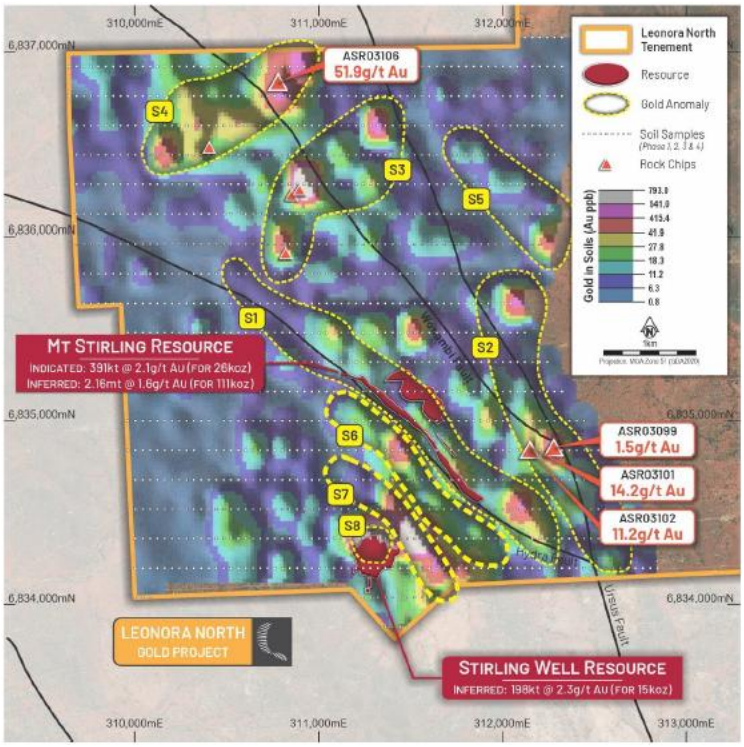
- **Main Zone confirmed:** NIC107 returned 23m @ 11.31g/t Au from 121m, including two very high-grade internal intervals.
- **New Upper Zone identified:** NIC100 returned 1m @ 45.86g/t Au from 41m, supporting a separate mineralised position above the Main Zone.
- **Historical context is strong:** Cosmopolitan previously produced ~360,000oz at ~15g/t Au.
- **System remains open:** Mineralisation remains open along strike and at depth, with follow-up drilling being planned.
- **Hub relevance increased:** Cosmopolitan is located around 8km northeast of Orion-Sapphire, supporting the broader Leonora South district strategy.

Exploration Pipeline Expanded Across Leonora North, Whistler, Woodpecker and Yttria

GoldArc's exploration pipeline has broadened across both near-resource and earlier-stage targets. At Woodpecker, final one-metre assays confirmed 2m @ 12.88g/t Au from 37m, including 1m @ 25.21g/t Au. At Whistler, AC drilling confirmed shallow blind gold mineralisation, including 1m @ 7.20g/t Au from 46m. Blind mineralisation refers to gold mineralisation concealed beneath cover, which is important because it can be missed by surface-only exploration.

Leonora North now represents a larger funded exploration focus. GoldArc holds 100% of the Leonora North resource and discovery hub, which includes 152,000oz @ 1.7g/t Au across Mt Stirling and Stirling Well. The company states that only ~3km of the ~12km Ursus Fault corridor has been drill-tested, leaving approximately 9km largely untested. In addition, Yttria has emerged as a priority gold target, with an 11,000m AC program underway over multiple parallel anomalies extending across 4km of strike. The May placement funds the next phase of systematic testing across Mt Stirling S1-S7, Yttria, Chert, Cosmopolitan and regional soils.

Figure 4: Gold mineralisation in rock chips and soil anomalies at Leonora North



Source: Company

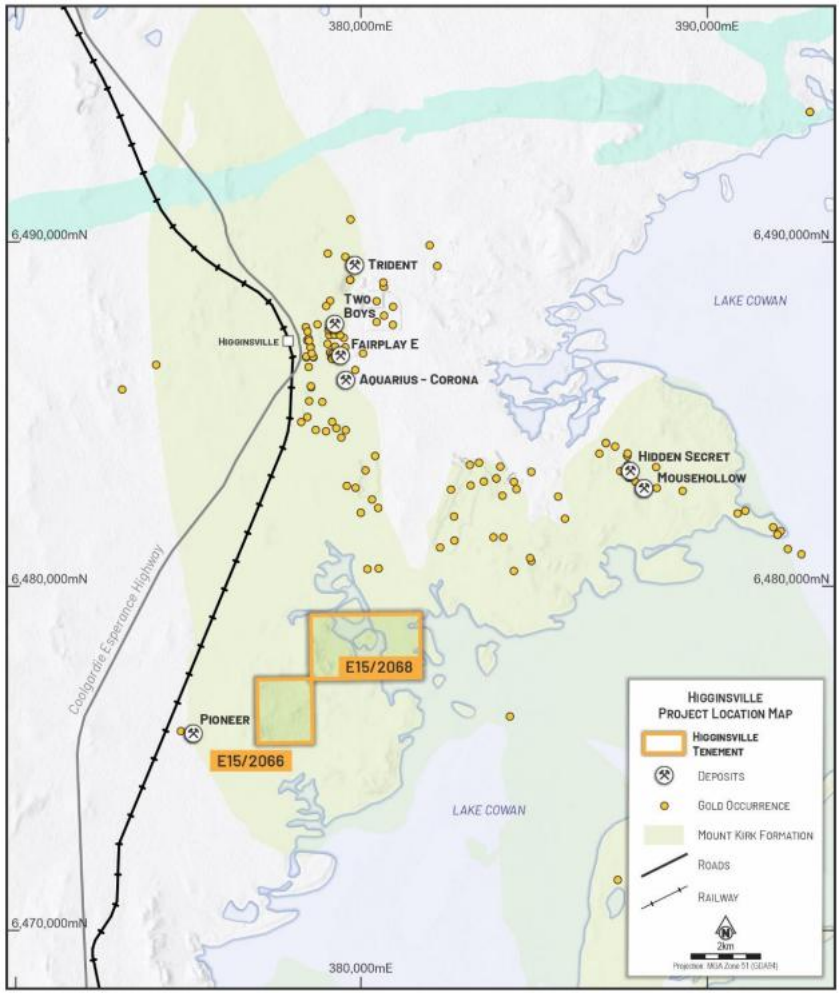
- **Woodpecker validated high-grade potential:** One-metre assays confirmed 2m @ 12.88g/t Au, including 1m @ 25.21g/t Au.
- **Whistler confirmed blind mineralisation:** AC drilling returned 1m @ 7.20g/t Au and outlined multiple mineralised zones under cover.
- **Leonora North scale increased:** The Ursus Fault hosts 152,000oz across ~3km of tested strike, with approximately 9km remaining largely untested.
- **Yttria adds a new gold target:** The 11,000m AC program is testing gold anomalies over 4km of strike associated with arsenic, tellurium and magnetic lows.
- **Placement funds systematic drilling:** The 12-month plan includes Mt Stirling S1-S7, Yttria, Chert, Cosmopolitan and regional geochemical programs.

Strategic Higginsville Tenure Adds Optionality Outside Core Leonora Portfolio

GoldArc has further broadened its regional opportunity set after winning ballots for two exploration tenement applications, E 15/2066 and E 15/2068, in the prospective Higginsville region of Western Australia. The applications comprise three graticular blocks located near Westgold Resources' Higginsville Operations, approximately 7km south of the Two Boys underground gold deposit and around 2km from the Pioneer gold deposit. The tenure sits within the Mount Kirk Formation, which is recognised as a prospective host for gold mineralisation and contains mafic and ultramafic lithologies consistent with nearby gold systems.

While the Higginsville ground is not central to GoldArc's immediate development strategy, it represents a useful strategic addition to the portfolio. Management has indicated that GoldArc's primary focus remains on advancing its core Leonora North and Leonora South assets, but the company has commenced desktop reviews of historical exploration across the Higginsville tenure to better assess its potential. Importantly, GoldArc is also evaluating potential monetisation pathways for these assets, which could allow the company to extract value from non-core ground while maintaining capital and management focus on its higher-priority Leonora development and exploration programs.

Figure 5: Location of Higginsville Tenure



Source: Company

Corporate Update Strengthens Funding Capacity and Technical Execution

GoldArc's May 2026 placement marks a material corporate milestone, strengthening funding capacity ahead of a broader 12-month exploration push across Leonora North and Leonora South. The company received commitments to raise up to $7.2m before costs through the issue of up to 102.9m new shares at $0.07 per share, with BMLV and its principals subscribing for $1.5m and directors committing $135,000, subject to shareholder approval. Proceeds, excluding the BMLV set-off, will fund RC drilling at Mt Stirling S1-S7, Yttria, Chert and Cosmopolitan, alongside regional soil programs. Ziggy Lubieniecki's move into an executive technical role further strengthens execution capacity and systematic target generation across the portfolio.

- **Placement improves funding and alignment:** $7.2m raise at $0.07/share funds drilling, with BMLV subscribing $1.5m and directors committing $135k, subject to approval.
- **Capital targets resource growth:** proceeds support Mt Stirling S1-S7, Yttria, Chert, Cosmopolitan and soil programs over twelve months, systematically led by Ziggy Lubieniecki.

Valuation

Updated Valuation of $0.18 - $0.22 Per Share

Since our last update, GA8 has delivered milestones that strengthen both the near-term development pathway and the broader exploration case. We do not believe the share price fully reflects the value of two partner-funded development pathways, the improving grade confidence at Mt Stirling, or the increasingly compelling high-grade and system-scale upside emerging across Niagara, Cosmopolitan and Leonora North.

1. **Partner-funded development pathways materially improved:** GA8 has advanced a capital-light development model across both project hubs, with BMLV funding the Mt Stirling mining pathway and MMS agreeing to fund 100% of initial development expenditure at Orion-Sapphire up to $20m. This materially reduces the upfront capital burden typically faced by junior gold developers, while preserving GA8's exposure to future project cash flows through 50:50 profit-sharing structures.
2. **High-grade drilling strengthened the mineable inventory case:** Mt Stirling grade control drilling returned multiple high-grade intercepts, including 10m @ 8.04g/t Au and 9m @ 6.32g/t Au, supporting grade continuity ahead of mine planning. At Leonora South, Niagara returned bonanza-grade results across a 5km trend, including 8m @ 66.76g/t Au at Sapphire, while Cosmopolitan confirmed a high-grade system with 23m @ 11.31g/t Au, reinforcing the potential for multiple high-grade mining centres.
3. **Corporate funding and exploration capacity increased materially:** the May 2026 $7.2m placement provides funding for a 12-month exploration program across Mt Stirling S1-S7, Yttria, Chert, Cosmopolitan and regional soil programs. Combined with Ziggy Lubieniecki moving into an executive technical role, GA8 is better positioned to convert its expanded target pipeline into resource growth, new discoveries and potential valuation uplift.

Methodology

Our valuation for GoldArc uses a sum-of-the-parts framework that reflects both its defined resource base and the market value of its broader development and exploration platform. We combine a production-based discounted cash flow valuation for the JORC resources at Leonora North and Leonora South, assessed through the BMLV and MMS mining agreements, with a resource multiple approach that provides a market-based cross-check against comparable gold developers. We apply a 75% weighting to the DCF-derived Net Asset Value and a 25% weighting to the market resource multiple, reflecting the increasing relevance of near-term cash flow potential while still recognising that GoldArc remains at an early development stage. We run two scenarios, a base case and an upside case, and set our price target at the midpoint of the two outcomes.

Under this framework, valuation is most sensitive to the key assumptions that drive project economics and market risk perception: the gold price, operating cost base, resource confidence and conversion, and the discount rate applied to future cash flows through our WACC assumption. This approach allows the valuation to capture the value of GoldArc's partner-funded development pathways while maintaining a conservative link to currently defined resources and observable market pricing.

DCF Assumptions

Production Schedule

Our production schedule is based on GoldArc's currently defined JORC resource base and is separated by mine-partnership structure. Leonora North resources, comprising Mt Stirling and Stirling Well, are modelled under the BMLV profit-share pathway, while Orion and Sapphire at

Leonora South are modelled under the MMS recovery profit-share pathway. We apply confidence-based mineable conversion assumptions of 75% for Indicated resources and 50% for Inferred resources, converting the 200.0koz attributable resource base into a mineable inventory of 106.5koz, corresponding to a 53.25% conversion rate. This comprises 82.5 koz from the BMLV assets and 24.0 koz from the MMS assets. We assume a five-year mine life for BMLV and a two-year mine life for MMS, resulting in annual mineable production of 28.5koz in Years 1 and 2, before stepping down to 16.5koz from Years 3 to 5 once the MMS schedule is exhausted. Payability is applied at 94% in the base case, resulting in base-case payable production of 26.8koz per annum in Years 1 and 2 and 15.5koz per annum from Years 3 to 5. We model the bull case with the same set of assumptions, but enhance payability to 97%, resulting in payable production of 27.6koz per annum in Years 1 and 2, and 16.0koz per annum from Years 3 to 5. The assumed payability is consistent with typical toll-treatment assumptions, allowing for standard recovery losses, treatment deductions and reconciliation variance in gold processing.

Risk-Adjusted Ounces and Exploration Upside

For the market multiple valuation, we risk-adjust GoldArc's contained ounces before applying the peer-derived EV/resource multiple. Indicated resources are included at 100%, while Inferred resources are weighted at 50% to reflect lower confidence and the need for further drilling before mine planning.

We also include a conservative 75koz exploration allowance to reflect near-term resource growth potential beyond the current JORC base. This is supported by GoldArc's 100%-owned Leonora North position, where Mt Stirling and Stirling Well already host 152koz @ 1.7g/t Au over approximately 3km of the Ursus Fault, leaving a further ~9km largely untested. These ounces are not yet JORC-defined and remain subject to drilling validation.

Scenario Analysis

We model two scenarios to capture a realistic valuation range: a Base Case and an Upside Case.

- **Gold price and payability:** Base Case gold price of A$6,250/oz and Upside Case gold price of A$6,750/oz. Payability is assumed at 94% in the Base Case and 97% in the Upside Case, consistent with typical toll-treatment assumptions, allowing for standard recovery losses, treatment deductions and reconciliation variance in gold processing.
- **Resource multiple:** For the market multiple method, we apply a peer-derived EV/resource multiple to GoldArc's risk-adjusted resource base. In the Base Case, we apply a 15% discount to the peer-set average multiple to maintain a conservative valuation stance, reflecting GA8's early development stage and resource confidence mix. In the Upside Case, we apply a 15% uplift to the Base Case multiple to capture a more favourable outcome as drilling success, resource conversion, partner-funded development progress and broader market recognition reduce perceived project risk.
- **Operating cost base:** We apply a common cost structure across the BMLV and MMS mining pathways, reflecting the similar assumed operating model across both hubs: small-scale open-pit mining, haulage to third-party processing infrastructure, and toll-treatment rather than owner-operated processing. The Base Case assumes total cash costs of $302/t ore, comprising mining, processing, haulage, site G&A and rehabilitation, resulting in AISC of ~$2,986/oz. This assumption is justified by the expected cost profile of small-scale WA open-pit gold operations, where mining and toll-treatment charges typically represent the largest cost components and where limited scale can reduce operating leverage. The Upside Case applies a 5% discount to Base Case cost assumptions, reducing AISC to ~$2,836/oz, to reflect a more favourable delivery outcome as grade control, mine scheduling, contractor execution, haulage logistics and toll-treatment terms are progressively refined.
- **Discount rate and project risk:** The Base Case applies a 9.5% WACC plus a 1.0% exploration risk premium, resulting in an effective discount rate of 10.5%. The Upside Case applies an 8.5% WACC plus the same 1.0% exploration risk premium, resulting in

an effective discount rate of 9.5%. Both scenarios are conservative relative to the commonly used 8.0% industry benchmark for gold project valuation, with additional premiums applied to reflect GoldArc's junior development stage, partner-funded execution reliance, remaining mine-planning work, resource-conversion risk, permitting exposure, toll-treatment assumptions, and operating-cost uncertainty. The lower Upside Case discount rate reflects a more de-risked outcome as grade control confirms mineable continuity, BMLV and MMS progress executable mine plans, and further drilling improves resource confidence.

Peer Comparison

We benchmark GoldArc using a peer multiple based on enterprise value per confidence-adjusted gold-equivalent ounce, providing a market-based cross-check against our production-based NAV. The peer set comprises ASX-listed gold explorers and developers with defined resource bases, limited or no established production, and valuations primarily driven by resource scale, grade, development maturity and exploration upside.

For confidence adjustment, we apply a consistent policy across all companies - ***Indicated resources are weighted at 100% and Inferred resources at 50%, reflecting the lower geological confidence and higher conversion risk*** associated with Inferred material. This ensures like-for-like comparability across the peer basket and avoids overstating early-stage inventory.

The selected peer group trades on an average EV/adjusted resource multiple of $213/oz. The wide dispersion across the group reflects meaningful differences in resource confidence, grade profile, project scale, funding position, development maturity and perceived execution risk. Arika's elevated multiple reflects its high-grade, compact resource that attracts a scarcity premium, while peers such as Great Boulder Resources and Kalgoorlie Gold Mining trade at tighter multiples consistent with larger, lower-grade resource bases where per-ounce valuations are naturally compressed. GoldArc's 200koz JORC resource base, two partner-funded development pathways, and recent high-grade results across Mt Stirling, Niagara and Cosmopolitan support its inclusion within this junior gold resource-developer peer framework, and we consider the average as an appropriate reference point given the spread of the group.

In our upside case, we apply a 15% premium to the peer-set average multiple, resulting in an upside multiple of approximately $245/oz, reflecting a more favourable outcome where GoldArc's discount narrows as grade control confirms mineable continuity at Mt Stirling, the Eclipse maiden MRE is delivered, resource additions from Niagara and Cosmopolitan are formalised, and partner-funded development milestones reduce perceived execution risk.

Figure 6: Peer Set

Company	ASX Code	Market Cap[1] ($m)	EV[1] ($m)	Indicated Resources (Moz)	Inferred Resources (Moz)	Adjusted Total Resources[2] (Moz)	EV/Adjusted Total Resources
Ballard Mining	ASX:BM1	316.0	287.2	0.67	0.51	0.92	310.97
Gorilla Gold Mines	ASX:GG8	271.1	245.0	0.40	1.60	1.20	204.13
Great Boulder Resources	ASX:GBR	109.9	118.8	1.00	0.50	1.25	94.91
Yandal Resources	ASX:YRL	80.1	61.0	0.09	0.36	0.27	225.46
Odyssey Gold	ASX:ODY	49.4	49.4	0.11	0.30	0.26	192.03
WA Gold Limited	ASX: WAU	36.6	36.7	0.17	0.35	0.34	107.53
Arika Resources	ASX:ARI	32.6	30.4	0.02	0.06	0.05	607.62
Leeuwin Metals	ASX:LM1	21.0	17.0	0.07	0.27	0.21	81.76
Kalgoorlie Gold Mining	ASX:KAL	13.7	10.3	-	0.21	0.11	96.26
					Peer Average		**213.4**

Source: Company disclosures, Capital IQ and East Coast Research
Note: *[1] as of 22 May 2026, [2] Adjusted Total Resources includes 100% of Measured and Indicated Resources and 50% Inferred Resources*

Valuation

Our valuation for GoldArc uses a sum-of-the-parts methodology, combining a DCF-derived NAV for its partner-funded production pathways with a peer-based resource multiple for its defined gold inventory and broader development upside. On this basis:

We have revised our target price to $0.20, representing a 187% potential upside from the current share price, based on a Price/NAV multiple of 0.35x

Our analysis highlights material upside of 187%, derived from a midpoint approach between the base case ($0.18/share) and upside case ($0.22/share), representing potential uplifts of 158% and 216%, respectively. The valuation gap reflects the market's discount to GoldArc's early-stage development status, resource-confidence mix, and reliance on execution through partner-funded mining pathways. However, we believe this discount does not fully reflect the company's improving grade confidence at Mt Stirling, the capital-light BMLV and MMS development structures, and the emerging high-grade growth potential across Niagara, Cosmopolitan and Leonora North. We expect this gap to narrow as Mt Stirling advances through grade control and mine planning, Orion-Sapphire progresses under the MMS framework, and further drilling converts recent high-grade results into resource growth. The $7.2m placement further supports this pathway by funding a broader 12-month exploration program and strengthening GoldArc's capacity to test priority targets across both project hubs.

Figure 7: GA8: Sum of the Parts Valuation

GA8 Equity Valuation ($M)	Base Case	Upside Case	Remarks
NET ASSET VALUE			
Risked Estimated NPV	138.77	172.98	Includes Leonora North and South
Valuation Method Weighting	75.00%	75.00%	
Weighted NPV Contribution ($m)	**104.08**	**129.73**	
MULTIPLE VALUATION			
Existing Project Resources (koz)	200.00	200.00	
Risk Adjusted Project Resources (kt)	113.00	113.00	Discounted to reflect resource confidence
Incremental Resources Upside (kt)	75.00	75.00	Exploration Upside
Peer Multiple: $m per kt contained AuEq	213.41	245.42	15% Premium to Peer Multiple
Resource Value ($m)	**40.12**	**46.14**	
Valuation Method Weighting	25.00%	25.00%	
Weighted Multiple Value Contribution ($m)	**10.03**	**11.53**	
Implied EV ($m)	**114.11**	**141.27**	
Cash & cash equivalent[1] ($m)	8.05	8.05	Latest quarterly cash + capital raise
Debt[2] ($m)	0.00	0.00	
Total Market Value of Equity ($m)	**122.16**	**149.32**	
Number of shares (m)[3]	675.88	675.88	Pro Forma Shares Outstanding
Implied price ($)	**0.18**	**0.22**	
Current price ($)[4]	0.07	0.07	
Upside (%)	*158%*	*216%*	
Mid-point Target Price ($)	**0.20**		
Mid-point Target Price Upside (%)	*187%*		
Price / NAV (X)	**0.35x**		

Note:
[1] From Latest Quarterly, as at 31st of Mar 2026
[2] From Latest Quarterly, as at 31st of Mar 2026
[3] Pro Forma Shares Outstanding Post Capital Raise.
[4] as of 22 May 2026
Source: ASX, Company & East Coast Research

Risks & Re-Rating

Key Catalysts

- **Mt Stirling grade control and mine planning progress:** Ongoing assay batches from the BMLV-funded ~34,000m grade control program should progressively refine ore boundaries, improve scheduling confidence and support open-pit mine planning. Continued confirmation of grade continuity would reduce technical risk and strengthen confidence in the near-term production pathway.
- **BMLV-funded transition toward Mt Stirling production:** Advancement of the BMLV 50:50 profit-share pathway remains a key de-risking event, particularly if grade control data feeds into updated reserves, final pit design and executable mine schedules. Delivery of these milestones would help validate GoldArc's capital-light development model and support valuation uplift.
- **MMS-funded Orion-Sapphire development milestones:** Execution of the formal Right to Mine Agreement, Mine Development Plan and related approvals would materially strengthen the Leonora South development case. Progress under the MMS framework, where MMS funds initial development expenditure up to $20m, could reduce funding risk and increase market confidence in a second funded production pathway.
- **Niagara resource growth and pit optimisation:** Follow-up drilling, updated pit optimisation and potential resource work across Orion, Sapphire, Eclipse, Justice and Euroa could convert recent high-grade results into a more coherent multi-deposit hub. Confirmation that the 5km Niagara trend supports mineable inventory beyond the current Orion-Sapphire resource would materially improve scale and strategic value.
- **Cosmopolitan, Whistler, Woodpecker and Yttria exploration news flow:** Further assays and follow-up drilling at Cosmopolitan, Whistler, Woodpecker and Yttria provide multiple opportunities to expand the discovery pipeline beyond the current defined resources. Demonstrating continuity at Cosmopolitan's Main and Upper Zones, or confirming a new gold system at Yttria, would add resource-growth optionality and strengthen the broader Leonora hub thesis.

Key Risks to Price Target

- **Mt Stirling grade control and mining execution risk:** Recent grade control is encouraging, but upside depends on converting near-surface high-grade shoots into a reliable mine plan with controlled dilution, recoveries and costs. Any shortfall in continuity, selectivity or scheduling could weaken confidence in the BMLV-funded pathway.
- **Partner-funded development dependency:** GoldArc relies on BMLV and MMS meeting funding, operational and development obligations. Delays, due diligence issues, cost recovery terms or agreement execution risk could reduce the value of the capital-light pathway.
- **Resource confidence and continuity risk at Leonora South:** Many targets remain early-stage or lightly drilled, including Niagara, Cosmopolitan, Whistler and Woodpecker. Follow-up drilling must confirm continuity before the market attributes sustainable development value.
- **Commodity price, permitting and toll-treatment exposure:** GoldArc remains exposed to gold price volatility, approvals timing and processing access in the Eastern Goldfields. Adverse gold prices, permitting delays or reduced toll-treatment capacity could compress margins, delay cash flow and reduce valuation support.

Appendix I: Analyst's Qualifications

Michael Jarvis

Michael is an Equity Research Analyst at Shares in Value (East Coast Research) and the analyst on this report. He holds a Bachelor of Business from the University of Technology Sydney, has passed the Level I CFA exam, and holds the Advanced Financial Modeller (AFM) accreditation.

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