METALS & MINING · 24 NOVEMBER 2026

Major Gold Discovery Triples Resource to 1.2Moz, PDI Gold Takes 9.9%, and a Fully Funded 2027 Programme Targets More

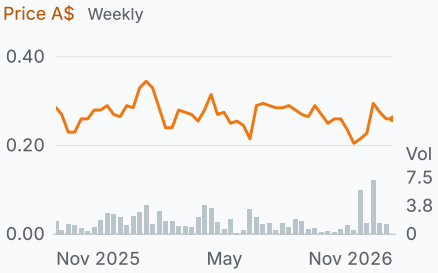
A$0.80

214% implied upside

KEY DATA

Market cap (A$m)	41.68
Share price (A$)	0.26
52-week L/H (A$)	0.20 / 0.38
Free float	65.40%

PRICE PERFORMANCE



Source: Capital IQ · Volume in millions of shares

ANALYST

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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.

PREVIOUS COVERAGE

ASX: SKM ↗ 6 Jul 2026

We update our target price for Skylark Minerals (ASX: SKM) to A$0.80 per share, implying ~214% upside from the current A$0.26. Skylark has more than tripled its Zaranou resource to 1.20Moz at 1.28g/t Au in a single drilling programme, at a discovery cost the company estimates at under A$9/oz.

The market has backed the result. SKM raised A$20m at a premium to market, an outcome rarely seen among junior explorers, which typically raise at a discount. The raise was cornerstoned by West African gold producer PDI Gold, which took a 9.9% stake (~A$5.1m) after its own due diligence. In our view, a producer operating in the region paying a premium to join the register is a strong vote of confidence in Zaranou.

The funding follows a transformational 2026. Skylark grew M'Basso from a minor 11.7koz deposit into an 873koz deposit that remains open at depth, and agreed to lift its Zaranou interest from 51% to 90% for a single US$1.2m payment. It also added the royalty-free Amie and Yaou earn-ins to a portfolio that already includes Vavoua and Maphai. Drilling is now finding gold beyond the current resource, including 69m at 1.12g/t Au next to Ehuasso.

A Major Discovery Turns Zaranou Into a 1.2Moz Gold Project

In just a year, SKM has transformed Zaranou from a 365koz asset it held at 51% into a 1.2Moz gold project with a clear path to 90% ownership. Almost all of the growth came from one season of drilling, and the deposit remains open along strike and at depth, where grades rise above 2.5g/t. SKM estimates its discovery cost at under A$9/oz, against ~A$157/oz at which the market values peer ounces. In our view, that gap shows how efficiently Skylark is turning exploration dollars into value.

Fully Funded for Its Biggest Drilling Programme Yet, with a Further Upgrade in Sight

The placement fully funds a 2027 programme of ~40,000m RC and ~6,000m diamond drilling, nearly three times the drilling behind the 2026 upgrade. It targets extensions of known mineralisation rather than greenfield ground: up to ~1km of new strike at Ehuasso, M'Basso at depth, and the largely undrilled ~8km corridor between the deposits. We see good potential for a further material resource upgrade and expect steady news flow through 2027. Near-term catalysts include Tranche 2 approval at the General Meeting on 14 December 2026 and the US$1.2m payment to move to 90%.

Valuation

Our sum-of-the-parts valuation yields a base case of A$0.75 and an upside case of A$0.85 per share, with a midpoint P/NAV of 0.32x.

Investment Rationale

1.20Moz
Zaranou Mineral Resource
Up 228% from 365koz; 29.0Mt at 1.28g/t Au (Inferred)

<A$9/oz
Discovery cost
Against a peer average EV of ~A$157 per attributable oz

A$20m
Capital raised
At a 5.5% premium; PDI Gold takes a 9.9% stake

90%
Path to Zaranou ownership
Up from 51% for a single US$1.2m payment

~46,000m
2027 drilling, fully funded
~40,000m RC and ~6,000m DD

214%
Target price upside
A$0.80 vs A$0.26 current price

Proven scale, funded and backed by a strategic investor; the valuation has yet to reflect it

Within twelve months, SKM has turned Zaranou from a 51%-owned asset into a 1.2Moz project with a clear path to 90% ownership. The project is fully funded through 2027 and now has a strategic producer on the register. Each of these steps removes a key risk for an explorer at this stage - resource scale, ownership, funding and third-party validation. Even so, SKM trades at a low EV/attributable oz in its West African peer group.

1.2Moz resource delivered at a discovery cost below A$9/oz

The October 2026 MRE grew Zaranou 228% to 29.0Mt at 1.28g/t Au for 1.20Moz (Inferred). M'Basso accounts for 872.6koz of that, up from an 11.7koz aircore-defined zone, after a single season of systematic RC drilling. The resource is now continuous over ~2km of strike and ~200m vertical depth and remains open in both directions. SKM estimates the attributable discovery and resource-definition cost at below A$9/oz. That compares with a peer average EV of ~A$156.94 per attributable oz, and in our view shows how efficiently capital is being turned into oz on this licence.

A$20m raise at a premium, with PDI Gold as a 9.9% strategic holder

SKM followed the MRE with a A$20m two-tranche placement at A$0.24 per share, a 5.5% premium to the last close. That pricing points to strong institutional demand rather than a raise forced by low cash. PDI Gold, which operates mines in West Africa, has taken a 9.9% stake (~A$5.1m) with participation rights and a 24-month standstill. Its due diligence gives independent technical support to Zaranou and creates an interested party on the register. Board participation of ~A$2.05m aligns management with shareholders. Pro-forma cash of ~A$21m, against A$2.3m at 30 September, removes the funding overhang that has weighed on the rating. Tranche 2 requires shareholder approval at the General Meeting on 14 December 2026.

Path to 90% ownership without study milestones

The revised Ricca agreement replaces the Scoping Study, PFS and DFS milestones with a single US$1.2m payment, for the same total cash consideration. SKM's attributable interest rises from 51% to 90% without the capital or years of study work the original earn-in required. For valuation purposes, this materially increases SKM's exposure to every oz defined from here and brings forward 90% ownership.

Several sources of further resource growth, all within a funded programme

We see three distinct drivers for a potential further MRE upgrade -

Ehuasso step-out - The final 13 holes of 2026 tested an undrilled soil anomaly along strike from the 307koz Ehuasso deposit. ZARC0222 returned 69m at 1.12g/t Au from 51m, including 9m at 4.29g/t, outside the current resource envelope. This is a thick, near-surface intercept on the first pass. Follow-up drilling could add up to ~1km of mineralised strike, none of which is in the current MRE.

Grade improving with depth at M'Basso - Block-model grades rise from ~1.0–1.1g/t near surface to above 2.5g/t in the deepest benches. Material at or below 0mRL averages ~1.51g/t, ~42% above the benches above it. As grade improves with depth, extensions at depth should add oz above the current average grade.

The undrilled corridor between deposits - About 30,000m of RC and all ~6,000m of diamond drilling in the 2027 programme (~40,000m RC in total) is aimed at the ~8km M'Basso–Coffee Bean–Ehuasso corridor. Much of the ground between the known deposits has not been drilled, and the programme also includes ~10,000m of RC at M'Basso South. It is the largest campaign in SKM's history and should provide continuous news flow through CY2027.

Low-cost exposure to further discovery through Amie and Yaou

SKM has also signed royalty-free earn-ins of up to 97% over the Amie and Yaou projects in south-eastern Côte d'Ivoire. Amie hosts a ~3km gold-in-soil corridor with historical aircore hits of up to 2m at 9.01g/t Au. Yaou sits on an interpreted extension of a structure linked to Ghana's Sefwi belt, home to the Ahafo, Chirano and Bibiani mines. The terms are back-ended, with most of the consideration payable only if resources are defined. This gives SKM low-cost exposure to further discovery alongside Vavoua and Maphai. We ascribe no value to either project currently in our valuation.

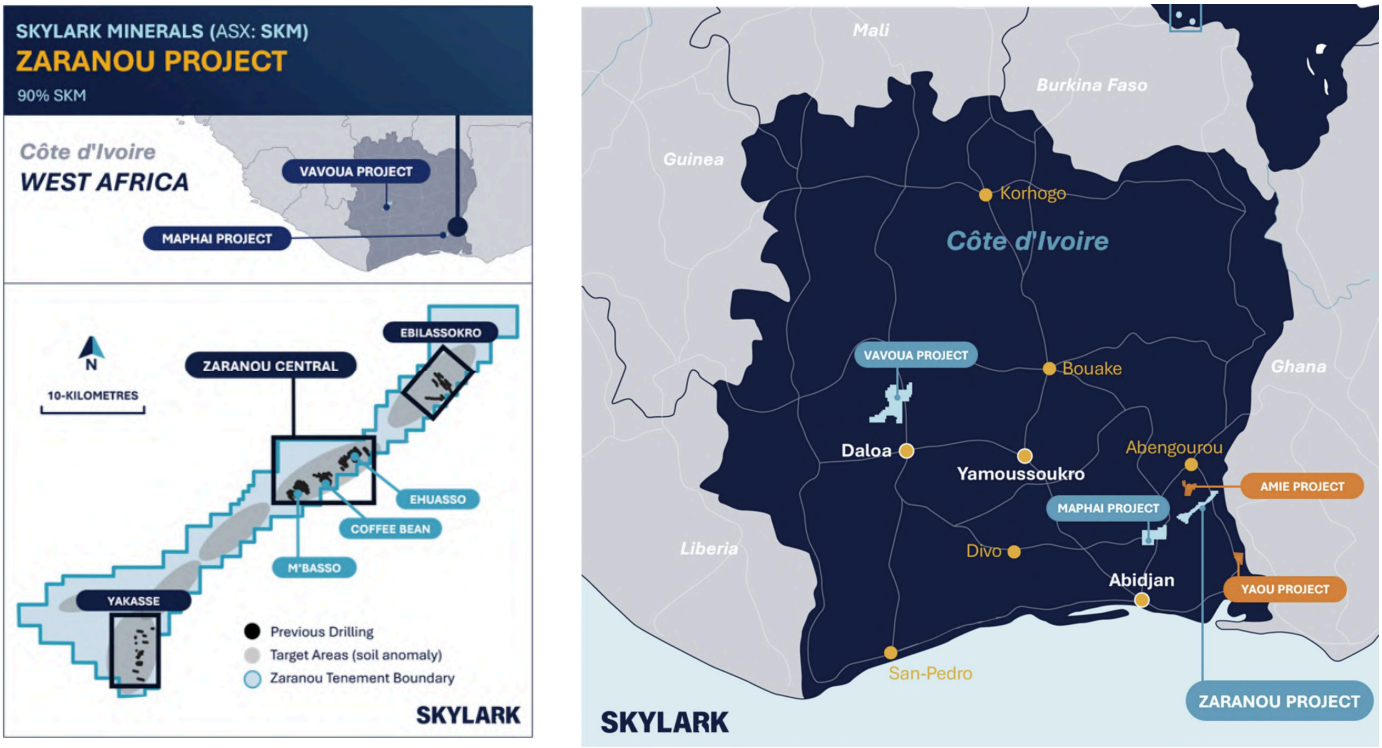
Resource Tripled, Path to 90% Ownership and Funded for 2027

Since our initiation report from July 2026, SKM has finished the M'Basso drilling programme and turned it into a resource. It has also secured a far larger stake in Zaranou on simpler terms. Since the MRE, SKM has raised A$20m, including a strategic investment from producer PDI Gold, which fully funds its 2027 drilling programme. The upgraded MRE is the most important result - Zaranou has moved from a 365koz project to a 1.2Moz one in under a year. It now sits closer to the scale of the West African developers in our peer set.

The Zaranou Gold Project is in south-eastern Côte d'Ivoire, about 110km north-east of Abidjan and roughly three hours away by sealed road. It is held under a single exploration licence (PR830) covering about 287km². The licence spans around 47km of prospective strike along the regionally significant Adzopé–Chiraa shear zone.

Zaranou lies within the Palaeoproterozoic Sunyani–Comoé Basin of the West African Craton, part of the Birimian terrane that hosts most of West Africa's major gold deposits. Gold mineralisation is structurally controlled and shear-hosted. It occurs in lodes within a meta-sedimentary sequence, mainly meta-arenites and micro-conglomerates, intruded locally by granites, and is associated with quartz veining and deformation. At M'Basso, Coffee Bean and Ehuasso, the lodes dip moderately to steeply within the shear corridor. This setting is comparable to established Ivorian gold systems such as Yaouré.

Figure 1: SKM's Côte d'Ivoire Project Portfolio and Zaranou Project Location Map depicting Vavoua and Maphai

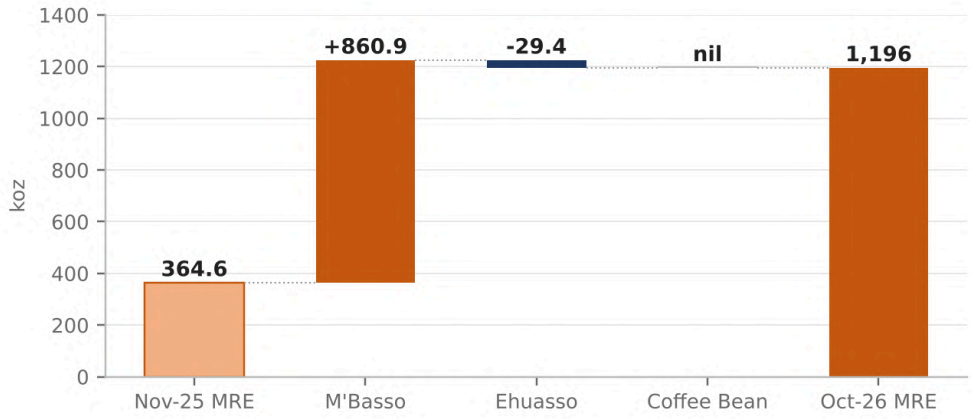


Source: Company

Zaranou Resource Grows – MRE at 1.20Moz

The updated MRE incorporates SKM's 85 RC holes at M'Basso along with historical AC, RC and diamond drilling. In total, 351 holes intersect the resource wireframes. Everything is classified as Inferred and reported at a 0.5g/t Au cut-off inside a US$3,500/oz optimised pit shell. The exception (pit-shell constraint) is Coffee Bean, which is not pit-constrained but sits within 100m of the surface.

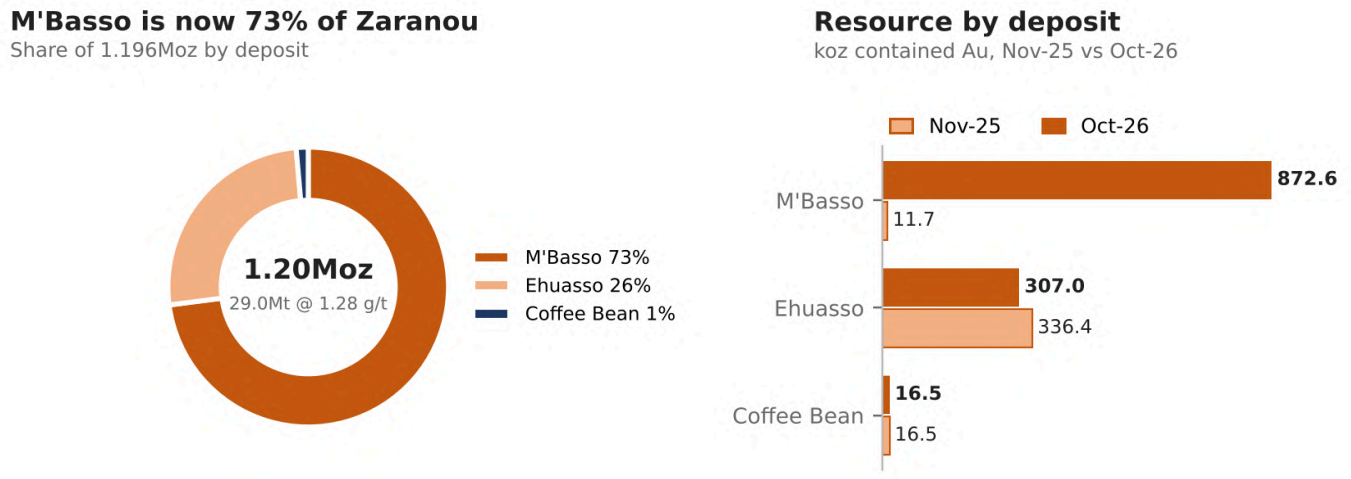
Figure 2: Zaranou MRE bridge – Nov 25 to Oct 26 (koz)



Source: Company, East Coast Research

The increase came almost entirely from M'Basso. In the November 2025 MRE it was a shallow, aircore-defined zone of 11.7koz; it is now the dominant deposit at Zaranou, with 24.0Mt at 1.13g/t for 872.6koz. SKM estimates that about A$7m of exploration spend is attributable to this result, which puts discovery and resource-definition cost below A$9/oz. That is very efficient by any junior-explorer standard.

Figure 3: Contained gold by deposit and deposit level change (koz)



Source: East Coast Research

There are three distinct features of the new estimate that deserve attention -

- ***Ehuasso resource reduced but grade increased*** - Ehuasso now holds 307.0koz at 1.91g/t, compared with 336.4koz at 1.80g/t, so it lost ~29koz while gaining grade. We think the most likely cause is the new pit-shell constraint combined with re-

modelling. None of SKM's 2026 Ehuasso-area RC drilling is in this estimate; those results, released on 16 November 2026, are discussed below.

- ***Lower blended grade, larger tonnage*** - Zaranou's average grade falls from 1.8g/t to 1.28g/t because M'Basso is a bulk, lower-grade system. That is in line with our peer set (AUE 1.00g/t, AS1 0.70g/t, TRE 0.88g/t, TCG 1.30g/t). SKM notes that M'Basso grades increase with depth, exceeding 2.5g/t in the deepest modelled benches, and that mineralisation is open below the current shell.
- ***All Inferred, on wide spacing*** - M'Basso was drilled on ~150m-spaced RC lines with holes ~100m apart (about 75m sections once historical AC lines are included). Extrapolation is limited to ~80-100m. SKM deliberately chose to test scale rather than infill. Upgrading confidence to Indicated will require closer-spaced drilling, which is not explicitly part of the 2027 programme outlined to date (~40,000m RC and ~6,000m diamond), as that programme is weighted towards extension and step-out drilling.

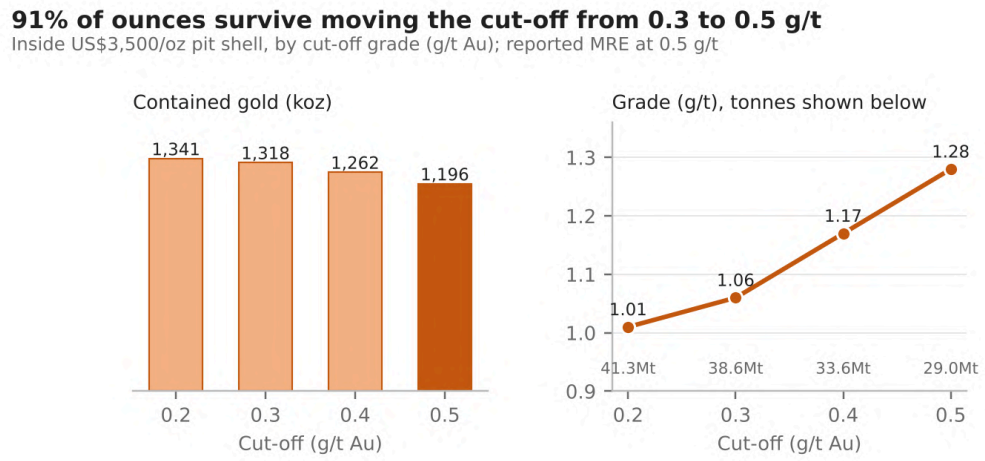
Figure 4: Zaranou Mineral Resource Estimate – October 2026 vs November 2025

Deposit	Nov-25 Mt	Nov-25 g/t	Nov-25 koz	Oct-26 Mt	Oct-26 g/t	Oct-26 koz	Change koz
M'Basso	0.38	1.00	11.7	24.0	1.13	872.6	+860.9
Ehuasso	5.78	1.80	336.4	5.0	1.91	307.0	-29.4
Coffee Bean	0.05	10.30	16.5	0.1	10.26	16.5	-
Total Inferred	**6.21**	**1.80**	**364.6**	**29.0**	**1.28**	**1,196.1**	**+831.5**

Source: Company, East Coast Research

Raising the cut-off from 0.3g/t to 0.5g/t keeps ~91% of contained ounces (1.32Moz down to 1.20Moz) and lifts grade by ~21% (1.06g/t to 1.28g/t). A curve this flat means the ounces sit in coherent mineralised zones rather than a thin halo of marginal material. That is a positive sign for future pit optimisation.

Figure 5: Grade-tonnage relationship within the US$3,500/oz shell



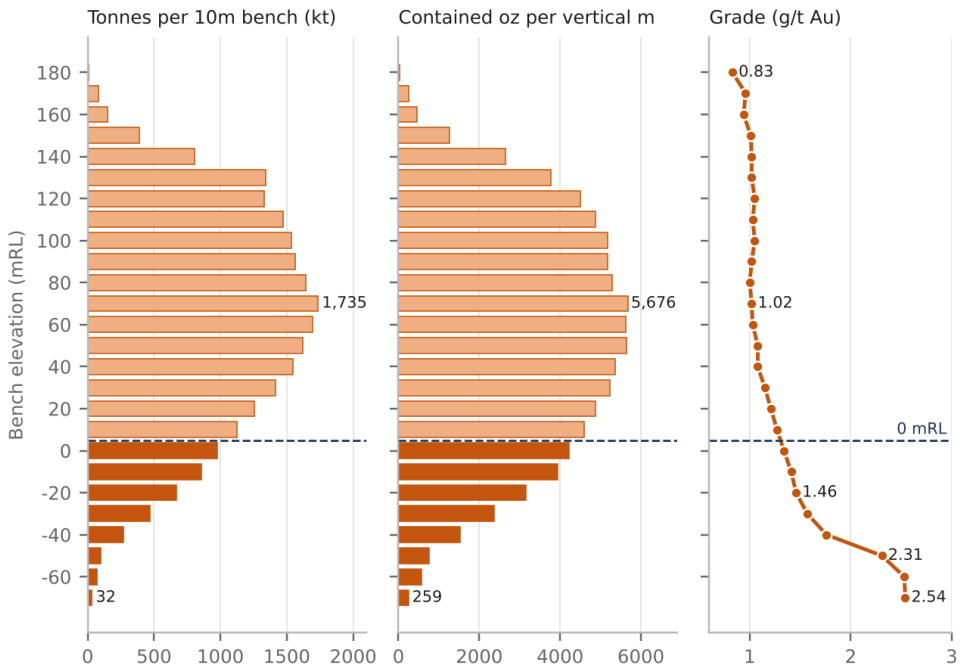
Source: Company, East Coast Research

M'Basso 2026 Gold Distribution Profile

SKM's block model shows grade rising steadily with depth at M'Basso. Between ~150mRL and ~40mRL, benches run at ~1.0-1.1g/t Au. Below that, grade climbs to 1.46g/t at -20mRL and above 2.5g/t in the deepest modelled benches (-60 to -70mRL). Tonnes peak at around 70mRL (1.7Mt per 10m bench) and taper below that, as the pit

shell narrows and drilling thins out. The company states the mineralisation remains open at depth. By our calculation from the company's profile, the benches at or below 0mRL hold ~3.4Mt at ~1.51g/t for ~167koz. That is about 19% of M'Basso's ounces, at a grade ~42% higher than the benches above. We see the rising grade at the base of the shell as the most encouraging feature of the new estimate. It supports the deeper RC and diamond drilling planned for 2027.

Figure 6: M'Basso tonnes, contained gold and grade by bench elevation



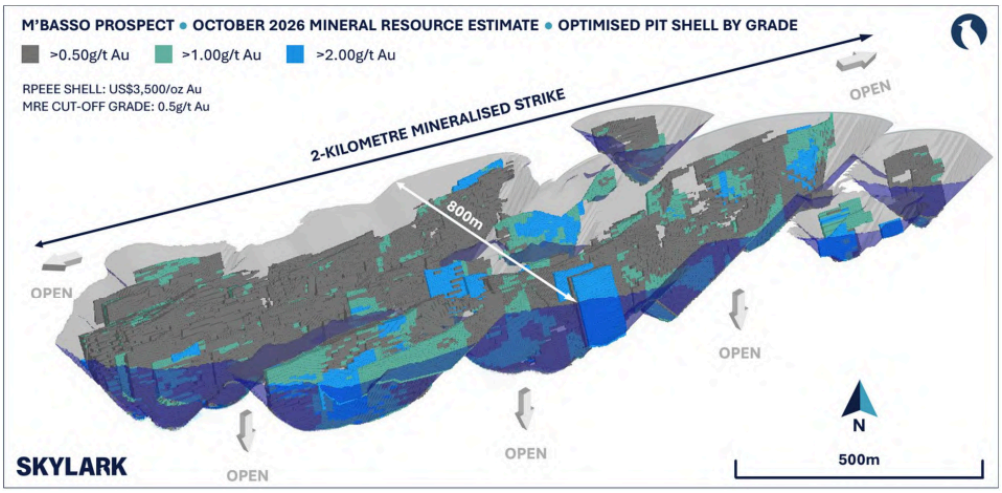
Source: Company, East Coast Research

M'Basso 2026 Drilling – Phase 2 Complete

Our initiation covered Phase 1 (38 holes, 6,667m), which defined ~750m of strike. Since then, SKM has reported two Phase 2 batches, totalling 47 holes. The M'Basso programme is now complete, and the rig moved to the Ehuasso area, where the final 13 holes of the 2026 programme were drilled (see below).

The first 24 Phase 2 holes tested the north-east continuation of the Phase 1 zones. Holes ZARC0172 and ZARC0174 extended the first main zone to almost 1.5km of strike; ZARC0174 returned 5m at 5.43g/t Au from 68m, including 3m at 9.00g/t. More importantly, ZARC0184, 0185, 0194 and 0195 traced the new zone found late in Phase 1 to almost 2km. ZARC0185 returned 45m at 0.72g/t from 125m, and ZARC0195 returned 14m at 1.32g/t from 55m, including 1m at 12.40g/t. The second Phase 1 zone was less prominent in this batch but appears to continue for ~400m up-strike. All reported intercepts were above 150m vertical depth.

Figure 7: Oblique View of M'Basso Pit Optimisation showing block model by Grade

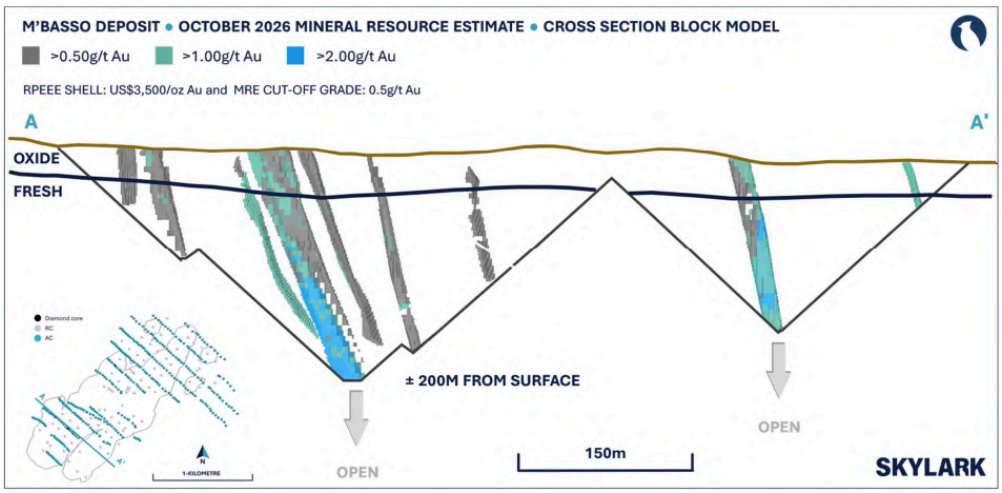


Source: Company

The final 23 holes closed the gap between the Phase 1 and Phase 2 areas, confirming continuous mineralisation across ~2km, and extended the system beyond 200m vertical depth. Key results include the following -

- ***ZARC0213A*** - 14m at 3.26g/t Au from 78m, including 5m at 9.00g/t and 1m at 44.04g/t. With ZARC0211, it confirms the dominant structure continues to the north-east end of the drilled strike.
- ***ZARC0211*** - 10m at 2.40g/t from 140m (incl. 5m at 4.40g/t), then 7m at 1.00g/t from 160m. The hole ended in mineralisation short of its target depth.
- ***ZARC0184A*** - 65m at 0.63g/t from 41m. This re-drill of ZARC0184 widens the zone by at least 30m. ZARC0212 (10m at 1.55g/t from 217m) adds roughly 100m of vertical depth below it.
- ***ZARC0215*** - 10m at 1.16g/t from 97m (incl. 5m at 2.01g/t) plus four further intervals. This infill hole confirmed continuity across the Phase 1-Phase 2 boundary.

Figure 8: M'Basso cross-section through the optimised pit shell



Source: Company

Phase 1 still holds the two best intercepts of the year (ZARC0148 and ZARC0143). Phase 2's role was to prove continuity, and the gram-metre profile reflects that. Phase 2 intercepts tend to be narrower or lower grade, but they are consistent along ~2km. The

final batch was concentrated deeper: five of its eight principal intercepts start at or below 140m down-hole. This supports SKM's view that grade improves with depth.

Accelerated Earn-In to 90% Ownership for US$1.2m

Under the original agreement with Ricca Resources, SKM could reach 70%, 80% and 90% only by completing a Scoping Study, a PFS and a Feasibility Study respectively, with payments of US$0.3m, US$0.4m and US$0.5m. The revised binding agreement replaces all three steps with one US$1.2m cash payment for the additional 39%.

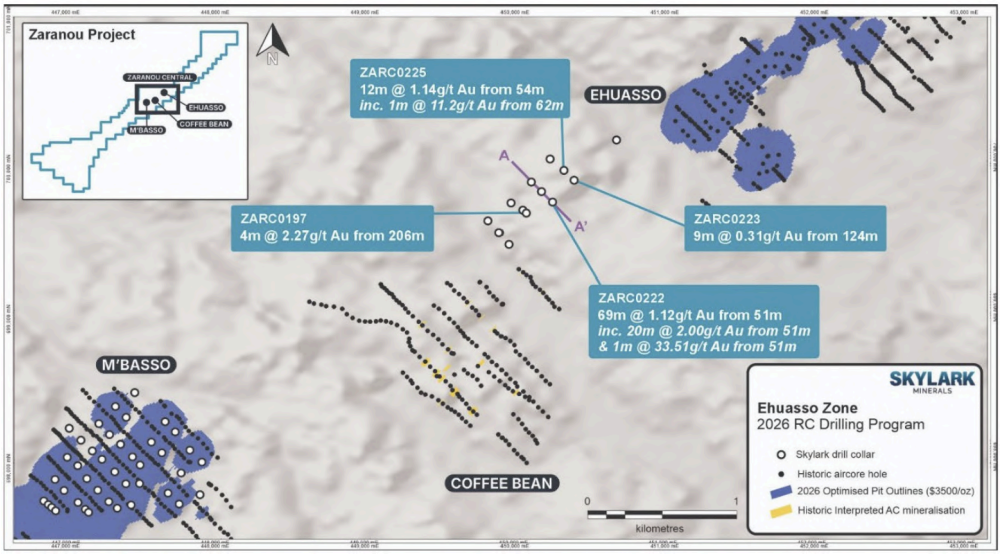
While the total cash consideration remains US$1.2m, the revised terms remove the requirement to complete a Scoping Study, Pre-Feasibility Study and Feasibility Study before each step-up in ownership. In our view, this materially de-risks and accelerates SKM's path to 90% ownership, as those studies would likely have required higher expenditure and several years to complete. The remaining 10% interest is held by SKM's local Ivorian partners, and SKM retains its existing option to move to 100% ownership through either a 2.5% NSR, or a 1.25% NSR plus a US$4.0m cash payment.

Ehuasso Drilling – Thick Mineralisation Outside the Resource

Recently SKM reported assays from the final 13 RC holes of its 2026 programme. The holes tested a previously undrilled, high-priority soil anomaly along strike from the Ehuasso resource (307koz at 1.91g/t Au), on ~200m-spaced sections. None of these holes is in the October MRE.

The standout hole, ZARC0222, returned 69m at 1.12g/t Au from 51m, including 20m at 2.00g/t and 9m at 4.29g/t (with 1m at 33.51g/t), plus a second interval of 6m at 3.89g/t from 114m. ZARC0225 returned 12m at 1.14g/t from 54m (incl. 1m at 11.20g/t) and ZARC0205 returned 4m at 1.16g/t from 24m. Four holes had no significant intercept, and the rest were generally narrower and lower grade, which fits a structurally controlled, shear-hosted system. True widths are interpreted at 70-100% of down-hole lengths.

Figure 9: Ehuasso 2026 RC Drill Collar Locations with Significant Intercepts



Source: Company

In our view, ZARC0222 is the most important result outside M'Basso this year: a 69m-wide, near-surface intercept that sits outside the current resource envelope. At 200m spacing, the geometry and continuity of the higher-grade zones are not yet understood.

SKM plans infill drilling, which it believes could add up to ~1km of mineralised strike towards Ehuasso. SKM also reports that initial bottle-roll tests on oxide and fresh material averaged ~95% gold recovery.

A$20m Placement – Funded for 2027, with PDI Gold on the Register

On 30 October 2026, SKM received firm commitments for a A$20m two-tranche placement at A$0.24 per share (83.3m new shares). The issue price was a 5.5% premium to the last close of A$0.228 and an 8.9% premium to the 5-day VWAP. Tranche 1 (~32.7m shares, ~A$7.85m) settled on 6 November under SKM's existing placement capacity. Tranche 2 (~50.6m shares, ~A$12.15m), which includes ~A$2.05m of director participation, requires shareholder approval at the General Meeting on 14 December 2026. Canaccord Genuity and Taylor Collison were Joint Lead Managers.

Figure 10: Placement structure – A$20m at A$0.24 per share

Tranche	New Shares (m)	Proceeds (A$m)	Of which PDI Gold (A$m)	Approval / timing
Tranche 1 (existing capacity)	32.7	7.85	2.2	Settled 6 Nov 2026
Tranche 2 – Investors	42.1	10.10	2.9	GM, 14 Dec 2026
Tranche 2 – Directors	8.5	2.05	-	GM, 14 Dec 2026
Total	**83.3**	**20.00**	**5.1**	**130.8m to 214.1m shares**

Source: Company

The placement includes a ~A$5.1m strategic investment from PDI Gold (ASX/TSX: PDI), a West African gold producer that operates the Kiniéro and Nampala mines. PDI will hold 9.9% of SKM after completion. For 24 months it has participation rights in future raisings and a standstill that caps its holding at 9.9%.

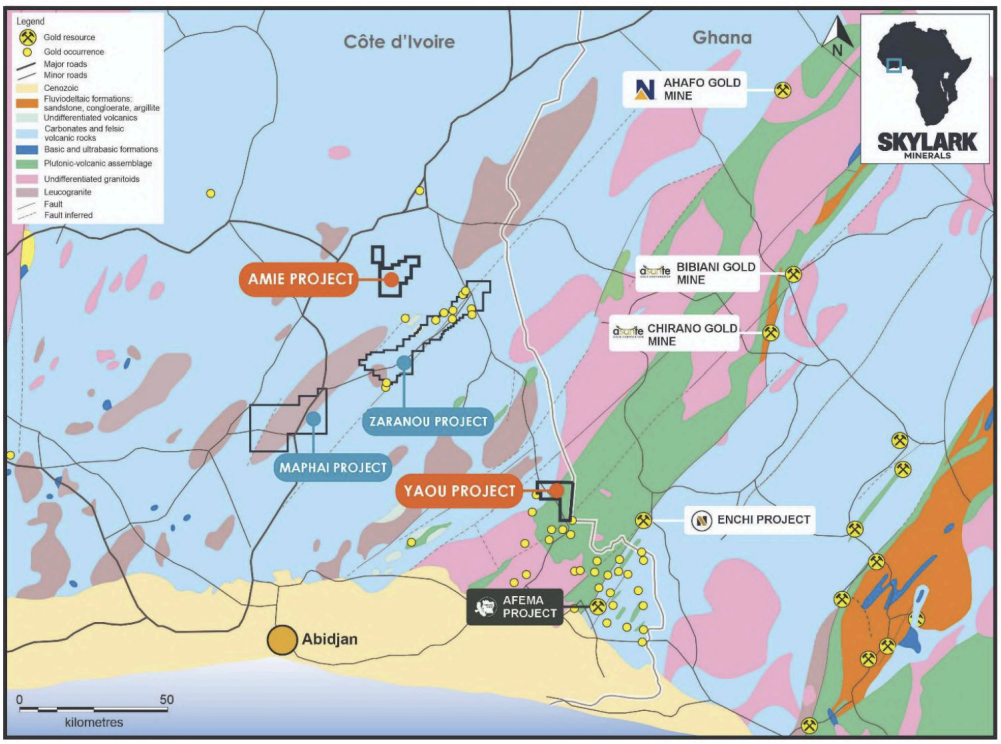
Pro-forma cash is about A$21m after costs, against A$2.3m at 30 September 2026, and shares on issue rise from 130.8m to 214.1m. Proceeds will fund the US$1.2m payment to move to 90% of Zaranou, a fully funded, multi-rig 2027 programme of ~40,000m RC and ~6,000m diamond drilling, regional exploration and working capital. This removes the funding overhang that weighed on SKM's rating, and a producer taking a strategic stake gives some external validation of Zaranou.

Amie and Yaou – Two Royalty-Free Earn-Ins Added to the Pipeline

In early November 2026, SKM signed binding agreements with Ivoire Geo Resources SARL (IGR) to earn up to 97% of each of the Amie and Yaou gold projects in south-eastern Côte d'Ivoire. Both are exploration permit applications, and neither agreement carries a royalty.

Amie (~140km² application) lies north of Zaranou. It hosts a ~3km-long, ~300m-wide gold-anomalous corridor along a mapped geological contact. Historical aircore drilling by IronRidge Resources returned results including 2m at 9.01g/t Au from 32m (BDAC0031) and 2m at 2.74g/t Au from 14m (BDAC0064), but that work covered only ~20% of the application area. Yaou (~103km² application) sits near Turaco Gold's Afema Project, on an interpreted continuation of a major gold-bearing structure linked to Ghana's Sefwi belt, which hosts Ahafo, Chirano and Bibiani. It has seen little historical exploration, and SKM's 2026 due diligence identified quartz float.

Figure 11: SKM's project portfolio in south-eastern Côte d'Ivoire and regional geology



Source: Company

For each project, SKM earns 51% by solely funding US$2.0m of exploration within four years of permit grant, and a further 29% (to 80%) by completing a PFS within seven years. It then has an option to buy a further 10% (to 90%) for US$2.0m, and moves to 97% on a decision to mine, with IGR keeping a 3% free-carried interest. Upfront cash is small: US$25,000 on signing, US$25,000 on permit grant, US$25,000 twelve months later and US$100,000 four years after grant. Larger payments are due only on success - US$1.0m for a JORC resource above 1Moz, US$2.0m above 2Moz, and US$0.5m if a resource above 2Moz grades more than 1.5g/t Au.

In our view, these are low-cost options that deepen the pipeline behind Zaranou, with most of the consideration payable only on discovery. We do not value either project. The next milestone is grant of the permits, after which SKM plans mapping, geochemical sampling and, at Yaou, geophysical interpretation, using its existing Zaranou team and infrastructure.

Next Steps - Ehuasso, Zaranou Central and the 2027 Programme

Three areas of work follow from here –

- ***Ehuasso follow-up drilling (2027)*** - The final 13 holes of 2026, reported on 16 November, intersected thick mineralisation outside the Ehuasso resource, including 69m at 1.12g/t Au in ZARC0222. Infill drilling of this zone is the main near-term source of resource growth outside M'Basso, and we would expect a later MRE update to include it.
- ***Zaranou Central 2027 campaign*** - About 80% of the 2027 exploration budget will go to the ~8km Ehuasso-Coffee Bean-M'Basso corridor. The aims are to extend M'Basso along strike and at depth, test the under-drilled ground between M'Basso and Coffee Bean, and add diamond drilling to understand structural controls at

depth. SKM has outlined ~30,000m of RC and ~6,000m of diamond drilling for the corridor, including the new mineralisation south-west of Ehuasso, plus ~10,000m of RC on the southern extension of M'Basso.

- ***Regional exploration at Ebilassokro and Yakasse*** in 2027, including ground geophysical and geochemical surveys, to build drill targets for 2028. At Vavoua, SKM plans reconnaissance, auger and geochemical sampling before any drilling. Maphai remains an exploration licence application.

Figure 12: Indicative programme schedule and next steps

Activity	Q3 26	Q4 26	Q1 27	Q2 27
RC drilling completes at M'Basso	✔			
RC drilling completes at Ehuasso		✔		
MRE update		✔ (19 Oct)		
Ehuasso drill results		✔ (16 Nov)		
Zaranou Central CY2027 drill planning		•		
Zaranou Central drilling			•	•
Regional exploration (Ebilassokro, Yakasse)			•	•

Source: Company, East Coast Research

Valuation

We continue to value Skylark Minerals using a sum-of-the-parts (SOTP) approach across its three Côte d'Ivoire gold assets: the Zaranou Gold Project, the Maphai Project and the Vavoua Project. As SKM is an exploration-stage company without production revenue or cash flows, discounted cash flow analysis is not yet appropriate. We therefore anchor our valuation to resource-based market multiples and comparable transaction metrics, which remain the most relevant frameworks for junior gold explorers at this stage of development.

Since our initiation, the investment case has moved on materially. SKM has delivered an updated Zaranou MRE of 1.196Moz at 1.28g/t Au, up 228% from 364.6koz, and has entered a binding agreement to accelerate its interest in Zaranou from 51% to 90% for US$1.2m. It has since raised A$20m at A$0.24 per share, including a ~A$5.1m strategic investment from PDI Gold, reported thick mineralisation outside the Ehuasso resource and added the Amie and Yaou earn-ins to its portfolio. Our updated valuation reflects all these developments. We now value Zaranou on a 90% attributable basis, refresh our peer group and EV/resource multiple, lift our incremental-resource assumption to reflect the latest drilling and the funded 2027 programme, reinstate an M&A premium, and include the placement proceeds.

Zaranou Project EV/Resource Multiple Equity Valuation

We value the Zaranou Project using an EV/resource multiple methodology, which remains appropriate for a gold project with a defined MRE but no development-level operating or capital cost assumptions. Zaranou now hosts an Inferred Mineral Resource of 29.0Mt at 1.28g/t Au for 1,196,100oz (0.5g/t Au cut-off, within a US$3,500/oz optimised pit shell). This comprises 872.6koz at M'Basso, 307.0koz at Ehuasso and 16.5koz at Coffee Bean.

Consistent with our initiation, we apply a 50% discount to the Inferred resource to reflect the lower geological confidence of this category. This results in a risk-adjusted resource base of 598,050oz, or 0.598Moz, up from 0.182Moz at initiation. The 50% weighting remains appropriate because the entire resource is still classified as Inferred, with M'Basso drilled on ~150m-spaced lines and continuity interpreted rather than conclusively demonstrated. Infill drilling will be required before the resource can be converted to higher-confidence categories.

Figure 13: Zaranou Mineral Resource Estimate and risk adjusted resource base

Deposit	Tonnage (Mt)	Au grade (g/t)	Contained Au (oz)	Risk adjusted (oz)
M'Basso	24.0	1.13	872,600	436,300
Ehuasso	5.0	1.91	307,000	153,500
Coffee Bean	0.1	10.26	16,500	8,250
Total Inferred	**29.0**	**1.28**	**1,196,100**	**598,050**

Source: Company, East Coast Research

Incremental Resources

At initiation, we included incremental resources equal to 80% (base) and 90% (bull) of the risk-adjusted resource base, in anticipation of the Q4 2026 MRE upgrade. That upgrade has now been delivered and exceeded our expectations, so we have reset this assumption to reflect the growth potential that remains outside the current estimate. We now include incremental resources equal to 50% of the risk-adjusted resource base in the base case and 60% in the bull case. This adds approximately 299,025oz (0.30Moz) and 358,830oz (0.36Moz) of risk-adjusted resources. For context, SKM's ~15,900m 2026 RC programme at M'Basso added ~861koz to the MRE, and its funded 2027 programme is close to three times larger. We believe this assumption is supported by the following -

- **Ehuasso step-out results sit outside the MRE** - The final 13 RC holes of 2026, reported on 16 November, tested an undrilled soil anomaly along strike from the 307koz Ehuasso deposit. ZARC0222 returned 69m at 1.12g/t Au from 51m, including 9m at 4.29g/t, and ZARC0225 returned 12m at 1.14g/t Au from 54m. None of these holes is in the October MRE, and SKM believes follow-up drilling could add up to ~1km of mineralised strike.
- **M'Basso grade improves with depth** - Grades in the M'Basso block model rise from ~1.0g/t near surface to above 2.5g/t in the deepest benches. Material at or below 0mRL holds ~167koz at ~1.51g/t, ~42% above the benches above it, and mineralisation remains open along strike and at depth.
- **A fully funded, larger 2027 programme** - Following the A$20m placement, SKM has funded ~40,000m of RC and ~6,000m of diamond drilling in 2027. About 30,000m of RC and all of the diamond drilling target the ~8km Zaranou Central corridor between M'Basso, Coffee Bean and Ehuasso, with a further ~10,000m of RC at M'Basso South.
- **A large, largely untested licence** - The current resource was established from only ~2km of strike at M'Basso, within a licence covering ~47km of prospective strike.
- **Encouraging early metallurgy** - SKM reports that initial bottle-roll tests on oxide and fresh material averaged ~95% gold recovery, supporting the potential for additional ounces to be economic.

Peer Comparable and EV/Resource Multiple

We have updated and broadened our peer group to seven West African gold explorers and developers, adding WIA Gold (ASX: WIA) and Awale Resources (TSXV: ARIC). We calculate EV per attributable weighted resource ounce, adjusting each peer's resource for its project ownership, which keeps the comparison consistent with our 90% attributable valuation of Zaranou. The peer group trades at an average of A$156.94/oz.

Figure 14: Peer comparable – EV/Attributable weighted resources

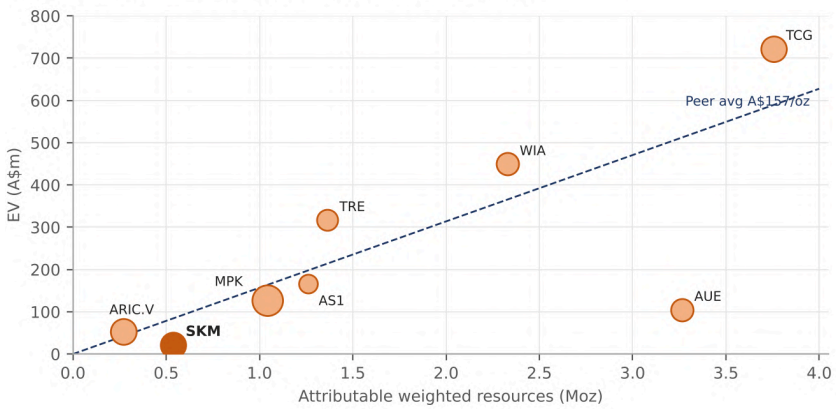
Company	Code	Own %	Mkt Cap* (A$m)	EV* (A$m)	M&I (Moz)	Inferred (Moz)	Weighted (Moz)	Attrib. (Moz)	EV/Attrib. oz (A$)
Aurum Resources	AUE	85%	200.1	104.9	2.68	2.32	3.8	3.3	32.1
Turaco Gold	TCG	100%	769.8	722.5	2.85	1.81	3.8	3.8	192.4
Asara Resources	AS1	75%	219.8	166.1	1.27	0.82	1.7	1.3	131.8
Toubani Resources	TRE	65%	279.2	317.2	1.99	0.21	2.1	1.4	232.9
Many Peaks Minerals	MPK	65%	147.8	127.7	1.13	0.94	1.6	1.0	122.4
WIA Gold	WIA	80%	678.9	449.7	2.01	1.80	2.9	2.3	193.2
Awale Resources	ARIC.V	39%	90.4	52.5	-	1.39	0.7	0.3	193.7
Skylark Minerals**	SKM	90%	54.6	34.0	-	1.20	0.6	0.5	63.2
Average									**156.9**

*** As of 20 Nov 2026. Note: Weighted resources include 100% of Measured and Indicated and 50% of Inferred resources; attributable resources adjusted for project ownership.**
**** We calculate market cap for SKM inclusive of Tranche 2 placement**

Source: S&P Capital IQ, Company Announcements, East Coast Research

With the placement removing SKM's funding overhang, we believe the remaining discount reflects the all-Inferred status of the resource and the lower blended grade relative to the previous estimate, rather than the scale of the Zaranou opportunity. In our view, the market has yet to recognise the upgraded resource.

Figure 15: EV vs attributable weighted resources



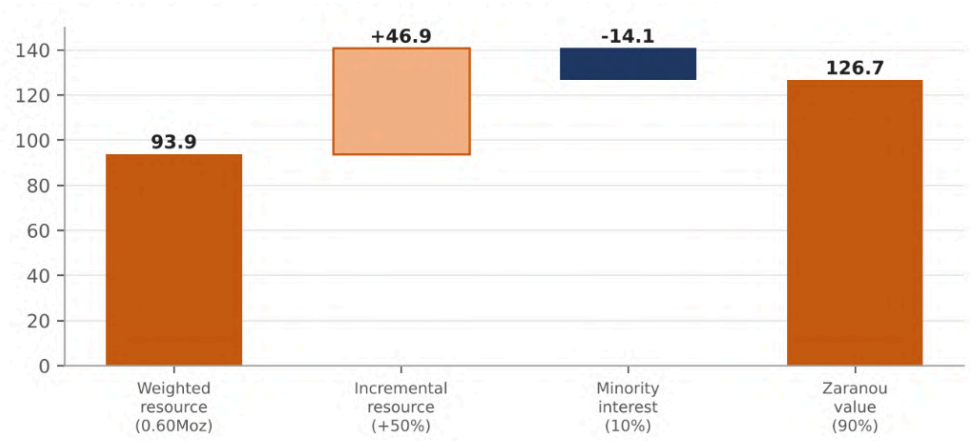
Source: S&P Capital IQ, Company Announcements, East Coast Research

Attributable Ownership

At initiation, we valued Zaranou on a 100% basis, reflecting our confidence in SKM's ability to complete the staged earn-in. Following the binding agreement to acquire an additional 39% interest for US$1.2m (A$1.71m), which replaces the previous study-linked milestones, we now value Zaranou on a 90% attributable basis. The remaining 10% interest is held by SKM's local Ivorian partners. While SKM retains its option to move to 100% (via a 2.5% NSR, or a 1.25% NSR plus a US$4.0m cash payment), we do not include this in our valuation.

Applying the peer average multiple to the risk-adjusted and incremental resources, and adjusting for SKM's 90% interest, we derive a Zaranou Project value of A$126.71m in the base case and A$135.15m in the bull case.

Figure 16: Zaranou Project base-case value



Source: East Coast Research

Maphai Project – Relative Resource Valuation

We continue to value Maphai using a risk-adjusted resource potential methodology, referencing its geological relationship with Zaranou. Maphai covers ~398km² along strike from Zaranou and shares a similar structural corridor, which may indicate continuity of mineralised structures across the broader district. However, Maphai does not have a defined MRE, the exploration licence remains under application, and no new exploration work has been reported since our initiation.

At initiation, we assumed Maphai could support a resource equivalent to 35% to 45% of Zaranou's risk-adjusted resource base. As Zaranou's risk-adjusted base has more than tripled, applying the same ratios would materially inflate Maphai's value without any new information on the project itself. We have therefore recalibrated our assumptions. We now assume Maphai supports risk-adjusted resources equivalent to 10% of Zaranou's risk-adjusted base in the base case and 13.5% in the bull case, implying ~59,805oz (0.06Moz) and ~80,737oz (0.08Moz), respectively. *These resource assumptions are broadly in line with those at initiation.*

To reflect Maphai's earlier stage relative to the resource-defined peers, we apply a discounted multiple of 50% of the peer average (A$78.47/oz) in the base case and a discounted multiple of 30% (A$109.86/oz) in the bull case. This results in a Maphai Project value of A$4.69m in the base case and A$8.87m in the bull case.

Vavoua Project – Acquisition Cost Ratio Valuation

Our Vavoua valuation is unchanged from our initiation. As Vavoua does not yet have a defined MRE, we value it using a transaction-based area methodology. We benchmark SKM's 537km² landholding against the comparable earn-in transactions between MetalsGrove Mining (ASX: MGA) and Desert Metals (ASX: DM1) across the Vavoua, Vavoua West and Kounahiri West permits.

In the base case, we assume two of the three comparable MGA project areas (MGA Vavoua and Kounahiri West) progress to a maiden MRE of more than 500,000oz Au at a grade above 1.0g/t. This gives a total consideration and expenditure base of A$2.975m over a weighted area of 607.2km², or A$4,899/km². In the bull case, we assume all three project areas progress to a maiden MRE. This gives a total cost base of A$4.1m over 790.2km², or A$5,188/km². Applying these rates to SKM's 537km² Vavoua Project gives a valuation of A$2.63m in the base case and A$2.79m in the bull case.

Figure 17: Vavoua Project Valuation – Base case and Bull case

Component	Base Case	Bull Case
MGA Vavoua – all-in to 80% (A$)	800,000	800,000
MGA Kounahiri West – all-in to 90% (A$)	175,000	175,000
MGA Vavoua West – earn-in to 90% (A$)	-	125,000
Assumed cost for MRE release (A$)	2,000,000 (2 projects)	3,000,000 (3 projects)
Total consideration and cost (A$)	2,975,000	4,100,000
Weighted project area (km²)	607.23	790.23
Acquisition cost ratio (A$/km²)	4,899.28	5,188.37
SKM's Vavoua Project area (km²)	537	537
SKM Vavoua Project value (A$m)	**2.63**	**2.79**

Source: Desert Metals, MetalsGrove Mining, East Coast Research

M&A Premium

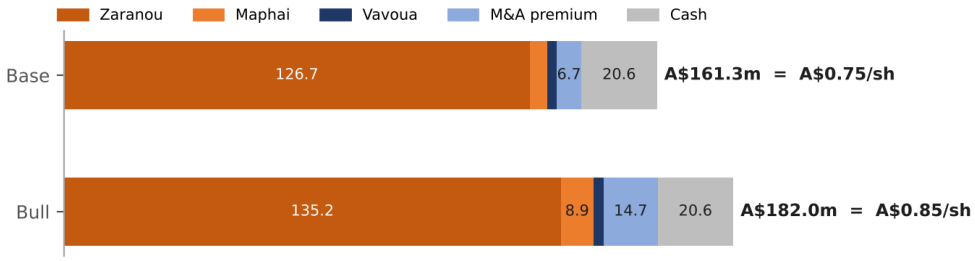
We reinstate an M&A premium of 5% in the base case and 10% in the bull case, applied to the combined value of Zaranou, Maphai and Vavoua. This adds A$6.70m and A$14.68m to our valuation, respectively. We believe corporate activity remains an important part of the SKM investment case, for two reasons:

- **Active, low-cost portfolio building** – In November 2026, SKM signed royalty-free earn-in agreements for up to 97% of the Amie and Yaou gold projects in south-eastern Côte d'Ivoire. Upfront cash is nominal (US$25,000 on signing and US$25,000 on permit grant per project), and the larger payments fall due only if JORC resources above 1Moz are defined. This follows the acquisition of the Ricca portfolio in December 2025 and the exercise of the Vavoua option for A$150,000 in May 2026. We do not value Amie and Yaou separately; the premium captures this optionality.
- **A strategic producer on the register** - PDI Gold's 9.9% stake, with participation rights in future raisings and a 24-month standstill, places a West African gold producer on SKM's register with a direct interest in Zaranou's progress.

Equity Valuation

Our SOTP-based valuation model implies a base-case enterprise value of A$140.73m and a bull-case value of A$161.49m. We include a pro-forma cash balance of ~A$21m, based on SKM's cash of A$2.27m at 30 September 2026, plus the A$20.0m placement, less the US$1.2m (~A$1.71m) payable for the additional 39% interest in Zaranou. On a per-share basis, this equates to a valuation range of A$0.75 to A$0.85, with a mid-point target price of A$0.80 per share. At the current price of A$0.26, this implies a P/NAV of 0.32x and potential upside of ~214%.

Figure 18: SOTP equity value composition – base and bull case



Source: East Coast Research

We base our model on 214.1m shares on issue, pro-forma for both tranches of the placement (83.3m new shares) and excluding other dilutive securities. ***Tranche 2 (50.6m shares) remains subject to shareholder approval at the General Meeting on 14 December 2026***.

Figure 19: SKM Valuation

SKM Valuation (A$ m)	Base Case	Bull Case	Remarks
Zaranou Project Weighted Average Gold Resources[1] (Moz)	0.60	0.60	
Additional Incremental Resources (Moz)	0.30	0.36	From further drilling programme
Sector Average EV/Weighted Average Gold Resources (A$/oz)	156.94	156.94	
Zaranou Project Value	**126.71**	**135.15**	
Maphai Project Risk Adjusted Exploration Resources	0.06	0.08	Structural consideration
Disc. Sector Average EV/Weighted Average Gold Resources (A$/oz)	78.47	109.86	
Maphai Project Value	**4.69**	**8.87**	
Vavoua Project Value	**2.63**	**2.79**	
M&A Premium	6.70	14.68	
Implied EV	**140.73**	**161.49**	
Cash[2]	20.56	20.56	Net of A$1.71m Ricca payment
Debt[2]	0.00	0.00	
Minority Interest	0.00	0.00	
Total Equity Value	**161.29**	**182.05**	
Number of shares on issue[3] (m)	214.10	214.10	Includes the recent placement
Implied price (A$)	**0.75**	**0.85**	
Current Share Price	0.26	0.26	
Upside (%)	*195%*	*233%*	
Mid-point Fair Valuation (A$)	**0.80**		
Upside (%)	**214%**		
Price / NAV (X)	**0.32x**		

1. Weighted Average Gold Resources includes 100% of Measured and Indicated Resources and 50% Inferred Resources
2. From Latest Quarterly, as of 30th Oct 2026 plus A$20.0m proceeds from placement and less A$1.708m for the US$1.2M Ricca payment.
3. Reflects the shares on issue from the recent placement

Source: East Coast Research

Catalysts for Positive Re-rating

- ***Placement completion*** - Shareholder approval of Tranche 2 (~A$12.15m) and director participation at the General Meeting on 14 December 2026.
- ***Move to 90% of Zaranou*** - Payment of US$1.2m (A$1.71m) to lift SKM's interest from 51% to 90%, without the study milestones of the original earn-in.
- ***2027 drilling programme*** - A fully funded, multi-rig programme of ~40,000m RC and ~6,000m diamond drilling across the M'Basso-Ehuasso-Coffee Bean corridor and M'Basso South, which should give steady news flow through 2027.
- ***Ehuasso follow-up*** - Infill drilling around ZARC0222 (69m at 1.12g/t Au) to test up to ~1km of additional strike outside the current resource.
- ***Depth extensions at M'Basso*** - Diamond drilling below the pit shell, where block-model grades exceed 2.5g/t in the deepest benches.
- ***Further MRE update*** - An update that includes the 2026 Ehuasso-area results and 2027 drilling, plus any first conversion of Inferred to Indicated.

- ***Regional pipeline*** - Geophysics at Yakasse and Ebilassokro, early-stage work at Vavoua and grant of the Maphai exploration licence.

Key Risks to Price Target

- ***Exploration and resource risk*** - Drilling may not extend the resource. The whole MRE is Inferred and drilled on wide spacing, so tonnes and grade may change with closer drilling, and conversion to Indicated is not assured.
- ***Grade and economic risk*** - The blended grade has fallen to 1.28g/t, and M'Basso averages 1.13g/t. Viability depends on bulk-mining economics, recoveries and a gold price that supports the US$3,500/oz pit shell.
- ***Funding and dilution risk*** - SKM is pre-revenue. The placement funds 2027, but studies and development will need further capital, and Tranche 2 still requires shareholder approval.
- ***Ownership and tenure risk*** - The move to 90% has to complete, Maphai remains a licence application, and licences need to be renewed and, in time, converted to mining permits. Under the Ivorian mining code the State takes a free-carried interest (typically 10%) at the mining-permit stage, which would dilute SKM's attributable share.
- ***Jurisdictional risk*** - Côte d'Ivoire has an established mining code and a growing gold sector, but West Africa carries political, fiscal and security risks.
- ***Market risk*** - SKM's share price is exposed to the gold price, AUD/USD and the liquidity and volatility typical of small-cap explorers.

Appendix I: Analyst's Qualifications

Riddhesh Chandwadkar

Riddhesh is an Equity Research Analyst at Shares in Value (East Coast Research) and the lead analyst on this report. He holds a Master of Commerce (Finance and Strategy) from the University of Sydney and has passed the CFA Program Level I and Level II.

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