January 30, 2025 | 00:01 ET~

Founders Metals

FDR-TSXV	Rating	Price: Jan-29	Target	Total Rtn
	Outperform(S)	$4.95	$7.50	52%

BMO Capital Markets

IN Depth

Precious Metals & Minerals

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Legal Entity: BMO Nesbitt Burns Inc.

Initiating Coverage at Outperform (Speculative) — Golden Treats in Suriname

Bottom Line:

The high-grade Froyo gold discovery blended with the open pitable bulk zones on the Antino project in Suriname could create a unique high-margin project of scale to the benefit of Founders shareholders. The company has built a track record of exploration success and there appears room for further material extensions and discoveries. We are initiating coverage of Founders Metals with a $7.50 target price and an Outperform (Speculative) rating based on our conservative placeholder assumptions for an initial development of the Antino discoveries.

Key Points

Founders Metals appears to have made a high margin gold discovery at its Antino Project, Suriname. The Froyo zone is the centerpiece with high-grade intercepts such as 38m at 10.9g/t Au and 46m at 5.31g/t Au, combined with other targets such as Donut and Buese which represent larger volumes that should contribute to the scale of future development.

In our opinion, there is a scarcity premium globally for quality new discoveries to replace existing steadily depleting operating mines. Our initial development placeholder assumptions suggest a 290,000oz/yr development scenario for Antino, firmly placing it among the scale and style of deposits sought by investors and in many cases acquired by established operators. The recent strategic investment by B2Gold (5%), in our opinion, reminds investors about the scarcity and quality of the Antino discoveries.

We are initiating coverage of Founders Metals with a $7.50 target price and an Outperform (Speculative) rating based on our conservative valuation for an assumed open pit development at the Antino project. We envision blending the high grade core of Froyo with multiple bulk zones to deliver scale and mine life. Founders' near-term catalysts for investors include exploration results as well as completing a 75% interest earn-in of the Antino property.

Founders CEO, Colin Paget, has over 10 years of experience across exploration and mining projects in the Americas. Chris Taylor, who joined the board in 2024, brings a track record as founder, President, and CEO of Great Bear Resources, which was sold to Kinross for $1.8B.

Exploration/resource risk appears high as the market seems to be expecting further positive exploration results. Positive exploration results/momentum will be required to secure funding into 2026 and beyond. Jurisdictional risk is low to medium as Suriname is considered stable, with a history of both artisanal and large scale mining.

Company Data			in C$
Dividend	$0.00	Shares O/S (mm)	88.5
Yield	0.0%	Market Cap (mm)	$438
NAV	$8.43	P/NAV	0.6x

BMO Estimates			in C$
(FY-Dec.)	2024A	2025E	2026E
Revenue	$0	$0	$0
EPS	$(0.05)	$(0.04)	$(0.08)
CFPS	$(0.10)	$(0.04)	$(0.08)
Gold Prod (oz)	0	0	0
AISC ($/oz)	$0	$0	$0

Consensus Estimates	2024A	2025E	2026E
EPS		NA	NA

Valuation	2024A	2025E	2026E
P/E	NM	NM	NM
P/CFPS	NM	NM	NM
Div. Yield (%)	0.0	0.0	0.0

Our Thesis

Founders Metals has delivered a rare success in the mining sector by making a sizeable new discovery at the high-grade Froyo Gold Zone at its Antino project. Given the global scarcity of high quality discoveries, Founders offers a unique investment opportunity to be rewarded for continued exploration successes and resource delineation.

BMO Capital Markets

Founders Metals - Block Summary Model

Income Statement	2024A	2025E	2026E
Operating Costs	0	0	0
Depreciation	0	0	0
Tax	0	0	0
Adjusted Net Earnings	(3)	(4)	(8)
EPS	$(0.05)	$(0.04)	$(0.08)
Cash Flow Statement	**2024A**	**2025E**	**2026E**
FCF/Share	$(0.12)	$(0.12)	$(0.31)
Balance Sheet	**2024A**	**2025E**	**2026E**
Cash & Equivalents	30	19	(10)
Long-Term Debt	0	0	0
Total Assets	71	67	59
Total Liabilities	3	3	3
Total Shareholders' Equity	64	63	56
Key Metrics	**2024A**	**2025E**	**2026E**
Gold Price (US$/oz)	2,388	2,751	2,825
USD:CAD	0.731	0.711	0.731
Gold Production - Windfall (oz)	0	0	0
AISC (US$/oz)	$0	$0	$0
Total Gold Prodn (koz)	0	0	0

Source: BMO Capital Markets, Company Reports

New Scenarios

Valuation

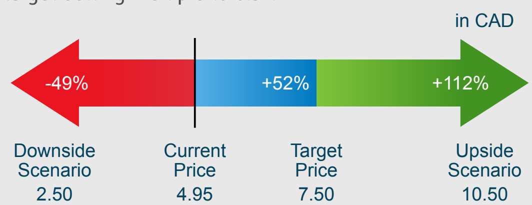
We value Founders Metals using a target setting P/NAV multiple of 0.9x, which is in line with peers under BMO coverage reflecting the early stage nature of the Antino project.

Upside Scenario $10.50

Our upside scenario is driven by increasing our P/NAV target-setting multiple to 1.3x to reflect another economic discovery similar to Froyo on the Antino property.

Downside Scenario $2.50

Our downside scenario considers poor followup drilling results and/or a general downturn in early-stage exploration valuations in the sector. We reduce our P/NAV target-setting multiple to 0.3x.



Key Catalysts

Key catalysts in the near-term include Antino exploration drill results as exploration remains a focus for Founders Metals and exercise of the Antino option to hold up to a 75% interest.

Company Description

Founders Metals is a Canadian-based exploration company focused on advancing the Antino Gold project in Suriname, South America. Discovery of the high-grade Froyo zone as well as parallel and proximal bulk mining zones have caught the attention of the market and are defining a new sizeable gold camp.

FDR-TSXV Research

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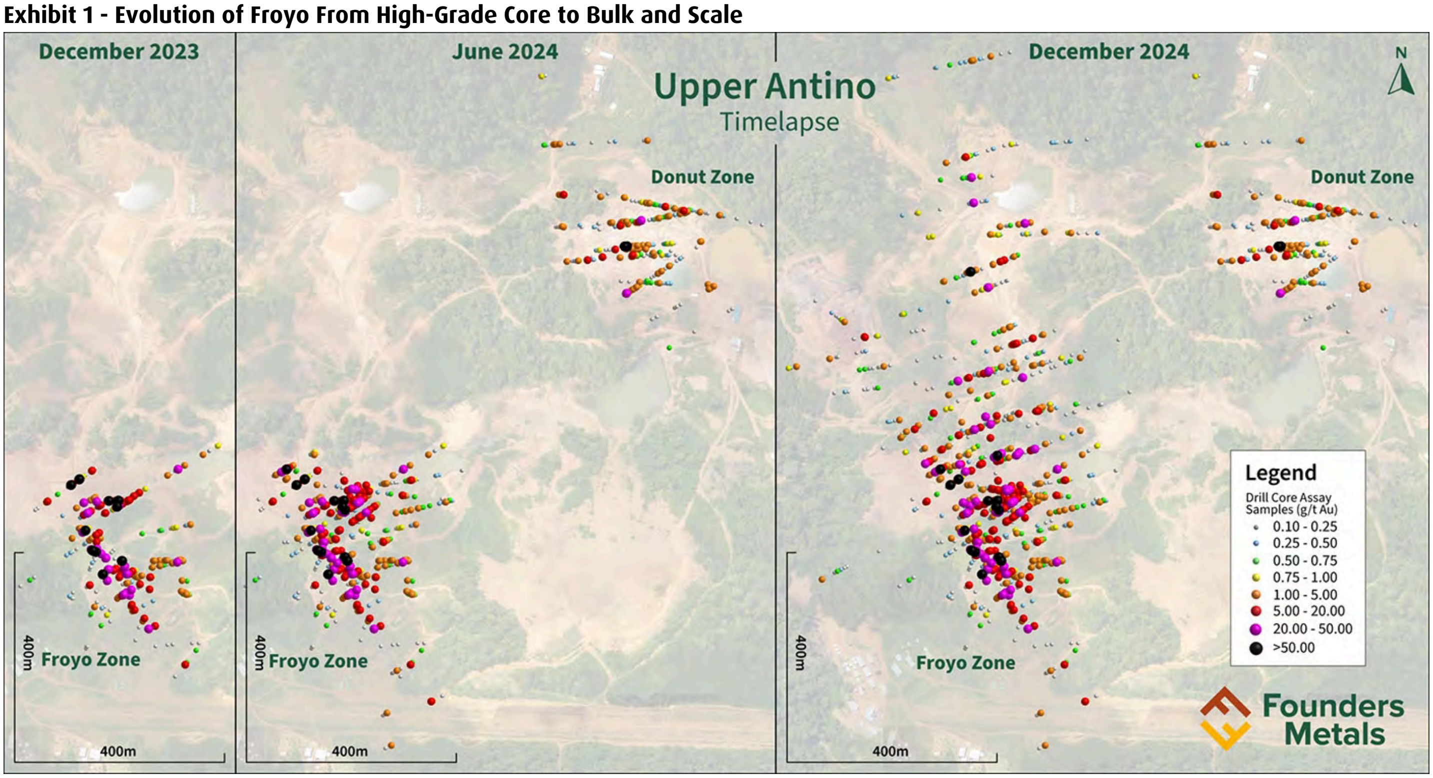
Froyo: Combining a High-Grade Core With Bulk for Scale

Founders Metals first earned market attention in 2023 when it released headline grabbing high-grade gold drillhole intercepts from the Froyo target on the Antino Gold Project in Suriname. The Froyo high-grade discovery has grown but also added parallel lower-grade bulk minable zones, some likely already within the Froyo pit outline. Together the Froyo and satellite zones present a rare combination of high-grade for a quick payback together with bulk for production at scale and a long mine-life. This elegant combination overcomes the scale issue of most high-grade discoveries and the sometimes ponderous economics of bulk discoveries. Other discoveries with similar characteristics are Great Bear, Oko West, and Newfound Gold.

What We Are Expecting

In our opinion, Founders appears to have the potential to delineate several million ounces of gold mineralization. The high-grade core at Froyo is likely on the order of 1Moz with several of the parallel/surrounding discoveries each with a potential for ~1Moz. The plan map below shows the initial high-grade intercepts at Froyo in the bottom left followed by the discovery of parallel mineralization to the northeast and north within what could be a single pit as well as the satellite Donut discovery in the top right corner. We refer readers to our additional commentary on page 8 of this report with a specific reference to Exhibit 6 that lists the strongest intercepts to date to provide a sense of the extent of the value creating high-grade core. For our valuation, we assume conservative placeholder open pit development assumptions that blend the high grade and bulk zones to drive a 290,000oz/yr gold production level. These are early stage assumptions that we expect to review as exploration advances.

Exhibit 1 - Evolution of Froyo From High-Grade Core to Bulk and Scale



Source: Company Reports

The Antino Gold Project earn-in option was acquired through an assignment agreement with Orea Mining in March 2023 for a total consideration of $0.5M cash and 1M common shares. The option gives the holder the right to secure a 75% interest in three stages from Nana Resources and has been subsequently amended and restated to exist now between Founders and Nana Resources alone. In September 2024, the company exercised the first stage to hold a 51% interest.

Founders Metals is led by CEO and geologist Colin Paget, who has over 10 years' experience in exploration projects in the Americas. Recently, Chris Taylor joined the board of directors, bringing proven exploration and capital markets expertise as the founder and CEO of Great Bear Resources, which found the Dixie LP Fault Zone culminating in an acquisition by Kinross Gold for $1.8B.

B2Gold's November 2024 investment in Founders as a strategic investor also provides confirmation of the value and quality of the Antino discoveries. B2Gold (BTO-TSX; $3.40; OP rated by Brian Quast) participated in the November financing for a 5% position on a non-diluted basis with the added requirement to acquire a further 1.17M shares in the market within 12 months and can participate in future financings to increase its ownership to a maximum of 9.9%.

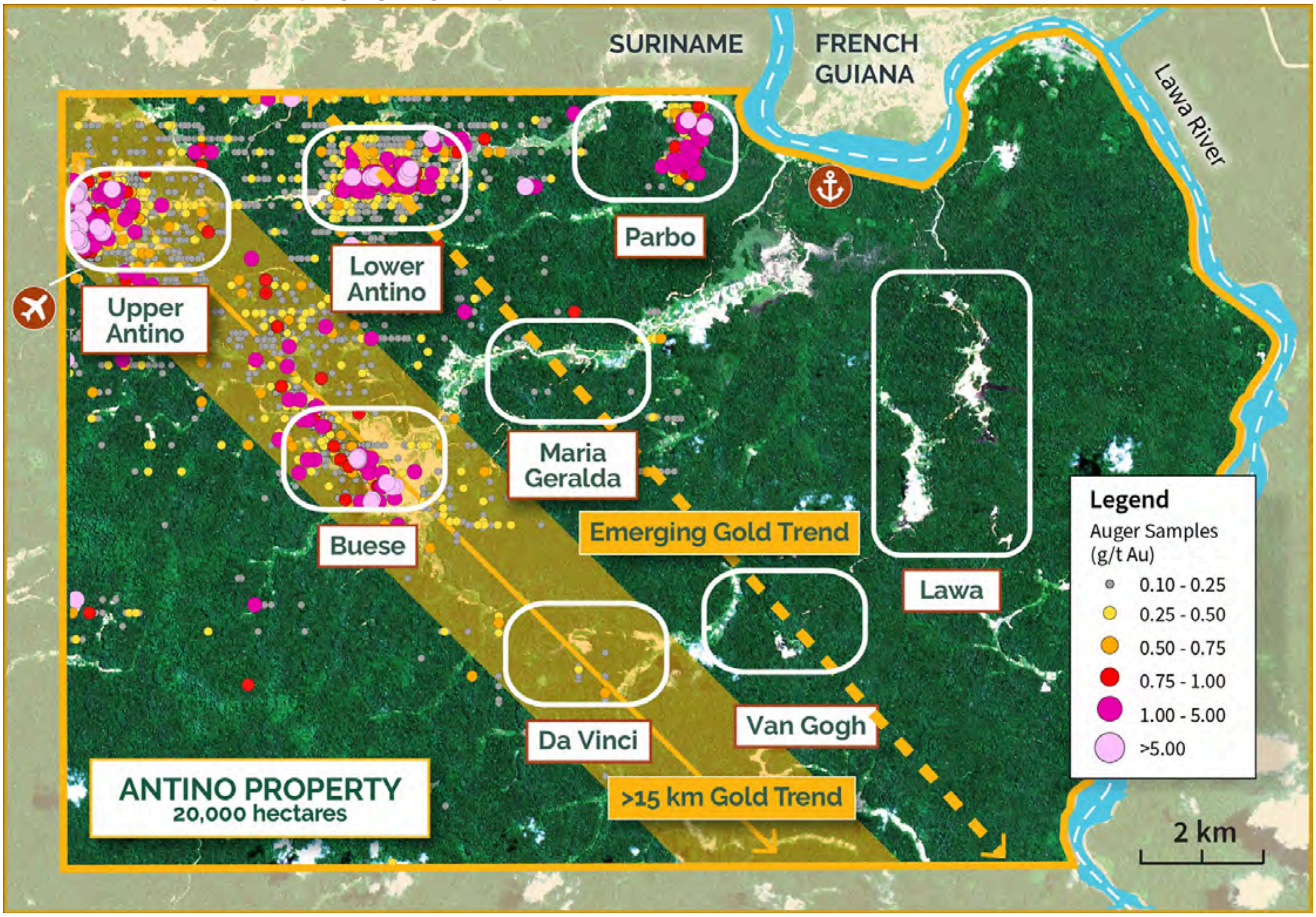
As with any junior exploration company, exploration expectations remain a high risk as the market becomes accustomed to a steady stream of positive results. In our opinion, financial risk is medium to high as Founders is well financed with ~$30M in treasury sufficient for exploration into 2026. We expect access to further capital should be available with further positive results from the drill programs. Lastly, we view jurisdictional risk as low as Suriname is a favorable mining jurisdiction with mining activity spanning from world scale operating mines such as Zijin's Rosebel and Newmont's Merian through to small scale alluvial and artisanal mining.

What We See at Froyo, Donut, Buese, and Others

Exhibit 2 below highlights the scale of the gold camp being defined by Founders with the high-grade Froyo discovery in the top left portion of the Upper Antino zone anchoring a 15km northwest-southeast gold trend. Satellite zones such as Buese and Lower Antino are well within trucking distance of a potential central processing plant. In addition to these zones, the gold camp also holds high exploration prospectivity – the newest drill discovery, Da Vinci, is located ~10km to the SE of Froyo and returned 28.5m at 1.30 g/t Au (including 10.5m at 2.39 g/t Au) and 67m at 1.26 g/t Au (including 21m at 3.24 g/t Au). The company also recently announced a new high grade discovery, Van Gogh, with grab samples grading up to 68.8g/t and a channel sample, which returned 5.68g/t over 17.8m. A drill program has been planned to follow up. Notably, this discovery opens up another multi-kilometre northwest oriented gold trend that is parallel to the Antino shear zone and includes Lower Antino and Maria Geralda targets.

A sense of the scale and intensity of the mineralizing system can also be seen from the extensive alluvial mining visible in the stream/river systems draining these parallel trends. The company has engaded geochemical sampling crews and has a 60,000m exploration budget for 2025 including 20,000m at Antino and 25,000m for new drill targets such as Van Gogh and Da Vinci. We expect a steady stream of newsflow.

Exhibit 2 - Antino Property Map Highlighting Multiple Discoveries



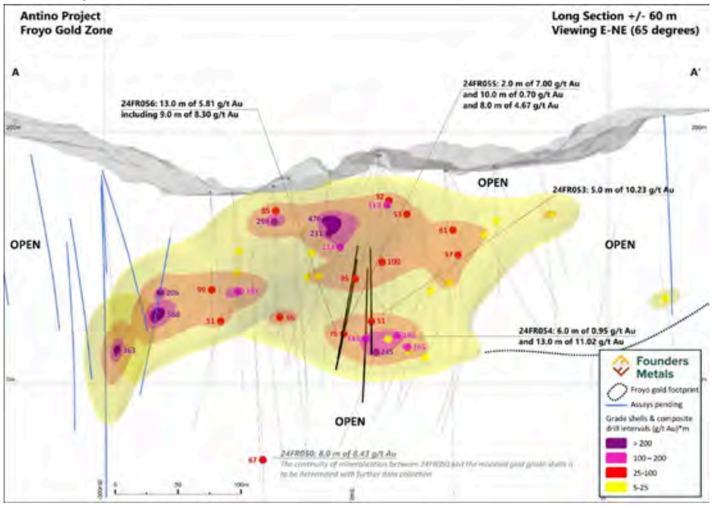
Source: Company Reports

Froyo Delivers Both High Grades and Bulk Mining Zones

The long section in Exhibit 3 is, in our opinion, the best published view of the high grades at Froyo – 13m at 11.02g/t, 10m at 24.61g/t, and 24m at 5.06g/t. The better intercepts from these high-grade shoots are listed in Exhibit 6 highlighting consistency. Mutiple high-grade shoots in Froyo have been defined each consistently with return 50+ gram*meter intercepts over ~300-500m in strike length by 150-250m in depth. In our opinion, something on the order of 1Moz could be in these shoots.

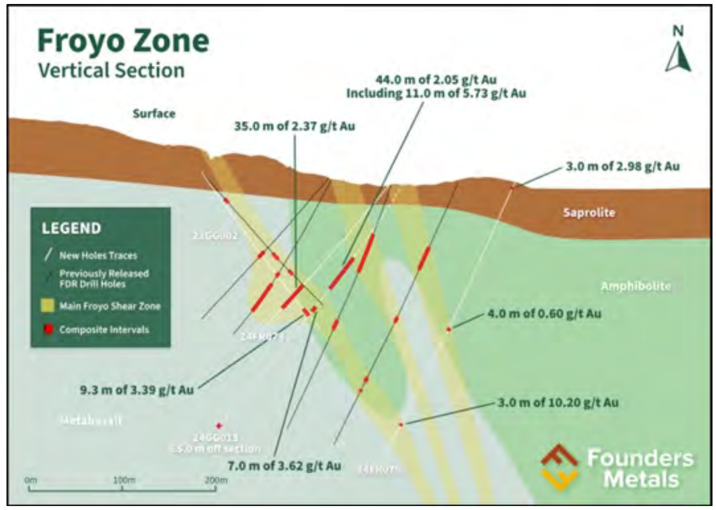
In addition to the high grade shoots, drilling has defined bulk mining extensions and parallel zones. The shear zone that hosts the Froyo high grade has been extended to 1.6km in total strike length with consistent bulk mineable mineralization. In addition, drilling has delineated several parallel zones with further bulk minable mineralization. Exhibit 4 shows a cross-section with the high-grade Froyo shoot on the left, supplemented by parallel bulk minable zones in the hanging wall to the right (northeast). A portion of these bulk mineable zones will already be inside the Froyo pit.

Exhibit 3 - Froyo's Extensive High Grade Shoots (April 2024 Long Section)



Source: Company Reports

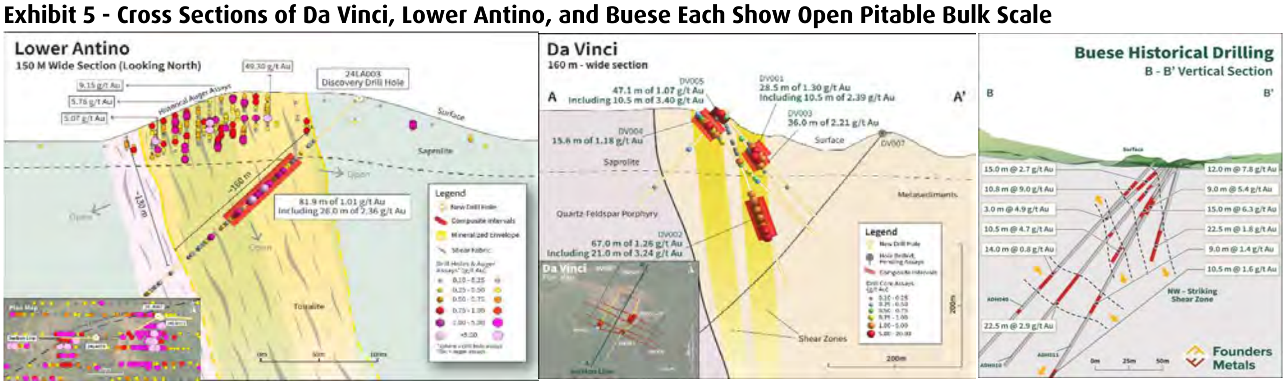
Exhibit 4 - Froyo's High Grade Shear and the Hanging Wall Parallel Zones



Source: Company Reports

Drilling at Buese, Lower Antino, Parbo, and Da Vinci all appear to be delineating bulk minable mineralization sometimes in parallel shears that will add scale and mine life. Drillling to date continues to show long open pitable intercepts broadly 20-50+m in thickness with an average grade of 1-2+g/t. These targets remain open and continue to add scale and mine life potential as drilling advances. Some zones such as Buese have returned some higher-grade intercepts (20m at 7.65g/t) — should these be defined into a high-grade shoot as observed at Froyo, this would further add to the value of the Antino discoveries.

Exhibit 5 - Cross Sections of Da Vinci, Lower Antino, and Buese Each Show Open Pitable Bulk Scale



Source: BMO Capital Markets, Company Reports

Defining a New Major Gold Camp With the Antino Discoveries

The Antino Project is located in the Marowijne Greenstone Belt, which is part of the Guiana Shield. The general geology of the area is considered a direct extension to the West African greenstone belts. The Guyana Shield belt extends from Guyana through Suriname and into French Guiana and currently hosts gold inventory of >100Moz compared to the >275Moz in West Africa. While the Guyana and West African belts share the same gold-rich geology, the Guyana Shield is broadly less explored, providing opportunities for meaningful discoveries with recent successes at Oko West and Antino.

The main control on mineralization at Antino is a major NW-SE oriented shear zone (Antino Shear Zone) with gold contained in the main shear or within several secondary structures. Upper Antino (Froyo) gold mineralization is a typical orogenic style as suggested by high-grade, auriferous, shear-zone hosted quartz veins broadly following the contact between two major rock units (a metabasalt and amphibolite both altered by hydrothermal activity). 15km of the Antino shear zone has been defined on the property and several zones of strong mineralization have been identified, a scale indicative of a sizable new gold camp.

Other targets such as Buese and lower Antino, in some part, appear porphyry hosted or related, combining lower grade broad gold mineralization within the porphyry and higher grades located in shear zones along the contact between the porphyry and host units. The mineralization is also associated with high-density stockwork quartz veining, albite alteration, and sericitization. This style of minerlization can represent larger volumes that could contribute to the scale of these discoveries/zones, adding tonnes to any potential mine plan.

Apart from the main shear corridor, other secondary mineralizing features have been identified on the property. For example, Froyo appears to be emplaced along a limb of a fold structure suggesting potential for mineralization in both limbs as well as the fold nose.

Exploration to date has identified an extensive mineralizing system on the property including a camp scale auriferous shear zone, secondary structures, widespread intense alteration as well as the presence of fertile intrusions. The property is still at an early stage of exploration with identified zones remaining open along strike as well as to depth for further extension with plenty of room for new discoveries.

Exhibit 6 - High-Grade Intervals at Upper Antino >100 Gram-Metre per Tonne**

Hole ID	From (m)	To (m)	Core Length* (m)	Au (g/t)	Gram-Metre per Tonne (gm/t)**
24FR090	254.00	277.00	23.00	5.00	114.7
24FR074	62.00	108.00	46.00	5.31	244.3
24FR067	280.00	304.00	24.00	5.06	121.6
24FR054	150.00	163.00	13.00	11.02	143.3
24FR049	44.00	70.00	26.00	5.52	143.5
24FR048	63.00	78.00	15.00	8.18	122.7
23FR044	56.00	82.00	26.00	4.86	126.4
23FR041	52.70	67.20	14.50	16.26	235.8
23FR038	77.00	90.00	13.00	14.03	182.4
23FR036	134.00	144.00	10.00	24.46	244.6
23FR030	182.00	208.00	26.00	6.35	165.1
23FR026	29.00	32.00	3.00	99.51	298.5
23FR025	222.00	267.79	45.79	4.06	185.9
23FR014	63.50	79.00	15.50	30.72	476.2
23FR011	76.00	89.00	13.00	8.75	113.8
23FR009	83.00	92.00	9.00	11.10	99.9
23FR007	47.50	54.95	7.45	15.22	113.4
23FR003	55.00	67.00	12.00	19.22	230.6
24GG004	149.00	187.00	38.00	10.90	414.0
23GG001	125.00	134.00	9.00	22.84	205.6
23GG001	152.00	158.00	6.00	94.69	568.1
24DO007	196.00	215.00	19.00	14.23	270.4

*Intervals are estimated to represent 85% or more of true width, based on current drill data
**Gram-metre per tonne calculated as core length in metres multiplied by g/t Au value

Source: BMO Capital Markets, Company Reports

Valuation Driven by Antino Discoveries

We are initiating coverage of Founders Metals with an Outperform (Speculative) rating and an NPV based target price of $7.50/share. We have chosen a 0.9x P/NAV target setting multiple as appropriate for a well-funded, high-profile gold discovery in a manageable jurisdiction. This multiple would be comparable to that used for other discoveries of scale under coverage at BMO. Exhibit 7 below summarizes our NAV valuation.

Exhibit 7 - NAV Based on Placeholder Development Assumptions

Mining Assets		($mm)	($/sh)
Antino(Suriname)	75%	$744	$7.41
Exploration Credit		$150	$1.49
Total Assets		$894	$8.90
Corporate Adjustments			
Corporate		($85)	($0.85)
Net Cash & Non Identifyable Investments		$30	$0.30
Options & Warrants		$8	$0.08
Total Corporate Adjustments		($47)	($0.47)
Net Asset Value		$847	$8.43
Target Multiple			0.9x
Target Price			$7.50

Source: BMO Capital Markets

Valuation Assumptions

Our valuation is based on a placeholder valuation for an assumed open pit development at the Antino project to blend the high-grade core of Froyo with some of the adjacent and nearby sizeable broad zones of mineralization.

Froyo and adjacent zones show a discovery of significant scale likely on the order of several million ounces, which remain open for further expansion. The high grade Froyo core with intercepts of 15.5m at 30.72g/t are what initially attracted the market's attention and now appears to represent the early mining zones that will be blended with other discoveries with bulk intercepts such as 78m at 2.35g/t, 67m at 1.26g/t, and 46m at 5.31g/t.

The exact scale and/or sequencing of any development are unknown as Froyo and other discoveries at Antino are at an early stage of exploration with no resources yet defined, which is the primary reason for our Speculative rating.

Exhibit 8 below shows the development assumptions we have set as a value placeholder for Antino and for context the actual development parameters for G Mining Ventures recently built Tocantinzinho (TZ) mine. In our opinion, the TZ mine is a good comparable as it appears of similar scale to what could be built at Antino, to some degree is in a comparable jurisdiction and as a recently completed mine represents an actual reference point for capital costs.

Exhibit 8 - Antino Development Assumptions

		Antino - BMO Assumptions	Tocantinzinho FS
Ounces	koz	3,054	2,036
Average Grade	g/t	2.00	1.31
Throughput	Mtpy	5.0	4.6
Production	oz/yr	290,000	175,000
Recovery	%	95%	90%
Capex	US$mm	$800	$564
Commercial Prodution Start	year	2031	2024
Mine Life	years	10	10.5
AISC LOM	$/oz	$659	$681

Source: BMO Capital Markets

Below we provide some discussion of our assumptions and expectations for Antino:

- **Mineable ounces**: We would suggest the higher-grade shoots of Froyo likely define 1Moz perhaps at a grade in the range of 10g/t. We think the market is now expecting that these high-grade ounces will be blended with other broad zones of mineralization, some already likely within the Froyo pit, and others very clearly within trucking distance. Together this represents several million ounces of potentially open pit mineable mineralization. In our opinion, this is among the larger and higher-profile discoveries globally.

- **Grade**: Since the high-grade Froyo core is adjacent to parallel broad zones of mineralization, the mined open-pit grades from Froyo will be diluted but in our opinion still impressive and most importantly drive high margins. The development profile will likely see higher grades at the front of the mine life. To remain conservative we have modelled a flat 2g/t grade.
- **Throughput**: Is a significant unknown as the Antino discoveries remain open. For our valuation we have assumed a slightly larger development than at the recently built Tocantinzinho mine. This drives a 290,000oz/yr gold production profile to set the stage for Antino as an asset of global scale.
- **Capex**: In our valuation we have modelled US$800M capex plus US$100M of exploration/engineering/permitting costs. This is higher than the recently built Tocantinzinho actual development capex leaving room for inflation, a larger scale, as well as uncertainty about the final development plan.

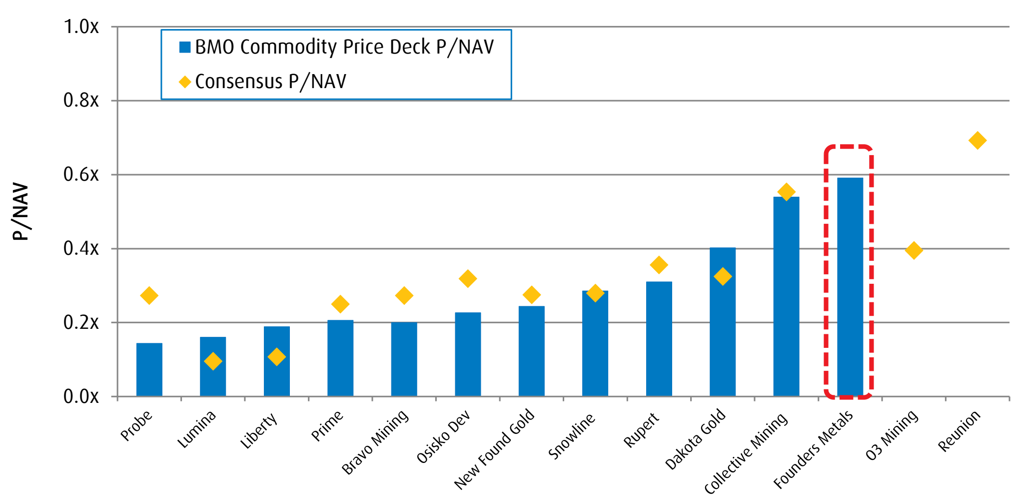
Comparables for a World Class Discovery

Founders' Antino zones are comparable to high profile discoveries globally. On a valuation basis it is trading among the top of the range of peer explorer/developers and in line with peers on market capitalization. We believe the scarcity of new quality discoveries leaves room for revaluation for Founders as well as its peers. Specifically for Founders we expect that the stock could revalue from two drivers:

1. Extending the high-grade portion of Froyo or discovery of new high-grades elsewhere on the property.
2. Expanding/defining sizeable open pitable zones complimentary to the Froyo discovery.

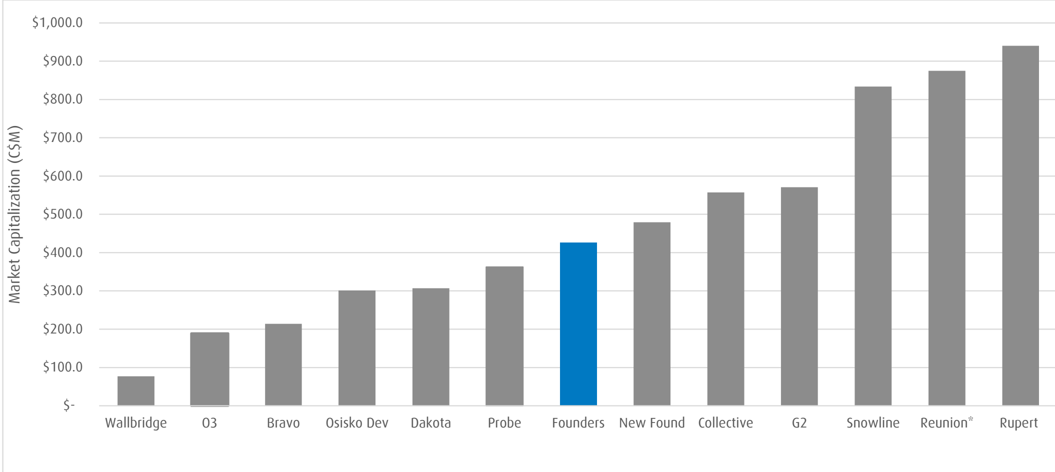
As discussed in our valuation section, we have used conservative valuation assumptions that drive our NAV due to the early stage of exploration and pre-resource at the Antino discoveries. In our opinion, materially stronger valuations are possible from scheduling higher grades from Upper Antino to the front of the mine plan, expansion in scale of development, and overall mine life. Success with some or all of these would imply upside to our NAV valuation and suggest P/NAV valuations closer to other peers.

Exhibit 9 - Relative NAV Valuations for Founders Metals and Other Global Discoveries of Scale



Source: BMO Capital Markets, FactSet

Exhibit 10 - Market Capitalization of Select Gold Explorers



Estimated transaction value for Reunion acquisition by G Mining Ventures

Source: BMO Capital Markets, FactSet

Risks

In our view, the main risk for Founders investors is expectation for continued exploration success as it delineates the scale and grade of the Antino Project. The market will be most inclined to reward discovery of new high grade zones but should also recognize open pitable discoveries with scale.

Financing risk is medium to high as Founders will have to secure additional sources of financing just like other explorers in the sector. With a current treasury of ~$30M exploration is funded into 2026. Access to financing will be dependent on delivering positive exploration results.

Jurisdictional risk is low to medium in our opinion as Suriname has built a track record of mining investment starting in the 1880's and extending to today with operating commercial scale mines in the country. Exploration/mining infrastructure for the Antino project is manageable — the project is remote but has road, river(barges), and airstrip access.

Management and Board of Directors

Exhibit 11 - Management and Board of Directors

Management	**Board of Directors**
Colin Padget – President, CEO & Director	Roy Bonnell – Director
Sam Yik – CFO	Nick Stajduhar – Director
Pascal Voegeli – VP Exploration	Kevin Vienneau – Director
Natalie Senger – VP Resource Development	
Katie MacKenzie – VP Corporate Development	

Source: BMO Capital Markets, Company Reports

Colin Padget, President, CEO and Director

Colin has over 10 years of experience working and managing exploration and mining projects across several North and South American jurisdictions. He holds a Bachelor's degree in Business Administration alongside a first-class B.Sc and an M.Sc in Geology. Prior to joining Founders as CEO, he was a Senior Geologist at Thesis Gold.

Sam Yik, CFO

Sam has over 25 years experience in industrial sectors including resources, petrochemicals, technology, and transportation. Sam also has management experience in senior financial, commercial, and operational roles including 11 years with Methanex Corporation.

Pascal Voegeli, Vice President, Exploration

Pascal is an exploration geoscientist with experience working on epithermal, porphyry, and orogenic gold deposits across several jurisdictions in North and South America.

Natalie Senger, Vice President, Resource Development

Natalie has over 15 years of experience in exploration and resource development with gold-dominant deposits, as well as in permitting major mines. Prior to joining Founders Metals Inc, Natalie was involved in the discovery and development of the Brucejack mine (Au-Ag epithermal), and in the development of the Goldstorm Deposit (Au-Cu porphyry), both in northern British Columbia.

Katie MacKenzie, Vice President, Corporate Development

Katie is experienced in investor relations & capital markets, with a background of advancing gold assets through exploration and development. She holds a BSc in Geology from the University of Regina.

Chris Taylor, Director

Chris is a structural and economic geologist with over two decades of experience in both junior exploration and mid-tier mining companies. As the Founder, President, and CEO of Great Bear Resources, he led the company to a major district-scale gold discovery in Canada, which culminated in its acquisition by Kinross Gold for C$1.8 billion.

Antino Project Option

In March 2023, Founders acquired the Antino Gold Project option from Orea Mining for a total consideration of $500,000 cash and 1M common shares. The option gave Founders the right to secure up to 75% of the Antino Gold Project in Suriname from Nana Resources N.V. in three stages. See Exhibit 12 for a summary of the option stages. At either stage 2 or 3, Founders can decide to form a fully particpating JV with the optionor, Nana, whose interests can be diluted to 10% (from 25% or 30%), which then converts to a 3% NSR. Upon successful earn-in of the Project, the company and the optionor, Nana, will form a joint venture with the objective of accelerating the project into commercial production. In September 2024, the company announced that it has exercised its right for 51% as well as amending the option to exclude the requirement for a NI-43-101 resource in option 1 and a PEA in option 2.

Exhibit 12 - Antino Gold Project Earn In Option

Timeframe	Stage	Cash consideration	Shares	Work commitment
3 years from commencement date	Stage 1 - 51%	Total payments of $US1.65M (US$550,000 already paid)	Issuing 1.615M commom shares (475,000 already issued)	US$6M and an NI43-101 tech report containing at least 500,000oz in any category
Within 2 years of completion of stage 1	Stage 2 - 70%	$US1.5M	Issuing 95,000 common shares	US$10M and a concept study similar to a PEA by an independent
Within 3 years of completion of stage 2	Stage 3 - 75%	-	-	US$10M and an NI43-101 FS report

At either stage 2 or 3, Founders can decide to form a fully particpating JV with the optionor, Nana, whose interests can be diluted to 10% (from 25% or 30%), which then converts to a 3% NSR.

Source: BMO Capital Markets, Company Reports

Capital Structure

Exhibit 13 - Founders Metals Capital Structure

	mm shares
Shares Outstanding	88.0
Stock Options	4.5
Restricted Share Units	2.7
Performance Share Units	0.0
Warrants Outstanding	6.0
Fully Diluted	**101.1**

Source: BMO Capital Markets, Company Reports

Exhibit 14 - Founders Metals Ownership Summary

Rank	Owner	Position (000)	%OS
1	1832 Asset Management LP	11,834	13.4%
2	BlackRock Investment Management (UK) Ltd.	4,632	5.3%
3	STAJDUHAR NICHOLAS	3,892	4.4%
4	BONNELL GEORGE ROY MACKAY	3,318	3.8%
5	VIENNEAU KEVIN	2,513	2.9%
6	Quilter Investors Ltd.	1,507	1.7%
7	Earth Resource Investments AG	1,090	1.2%
8	Franklin Advisers, Inc.	700	0.8%
9	Goehring & Rozencwajg Associates LLC	565	0.6%
10	PADGET COLIN	378	0.4%

Source: BMO Capital Markets, FactSet

BMO Capital Markets

Exhibit 15 - FDR Block Model at BMO Gold Price Deck

FOUNDERS METALS — FDR

Recommendation		OP(S)	Analyst	AM
	As at 29-Jan-25		BMO Capital Markets	
Year End		December		
Share Price		$4.95 C$/share	$3.43 US$/share	
Target Price		$7.50 C$/share	$5.19 US$/share	
Net Present Value	5%	$8.43 C$/share	$5.84 US$/share	
	0%	$15.32 C$/share	$10.61 US$/share	
Market Cap		435.9 C$mm	301.8 US$mm	
Ordinary Shares		88.1 mm		
Options & Warrants		12.3 mm		

PRICE ASSUMPTIONS - BMO PRICES (December Year End)		2023A	2024A	2025E	2026E	2027E
Exchange Rate	CAD:USD	0.74	0.73	0.71	0.73	0.75
Gold	US$/oz	1,943	2,388	2,751	2,825	2,775
Silver	US$/oz	23.39	28.28	29.00	30.76	31.00
Copper	US$/lb	3.85	4.15	4.09	4.20	4.42
Zinc	US$/lb	1.20	1.26	1.33	1.24	1.27
Oil	US$/bbl	77.62	75.68	72.88	78.50	81.00

FINANCIAL SUMMARY (December Year End)		2023A	2024A	2025E	2026E	2027E
NPAT (pre-Abs)	**(C$mm)**	**(0.5)**	**(3.1)**	**(4.0)**	**(8.0)**	**(8.6)**
ADJUSTED EPS	(C$/share)	(0.01)	(0.05)	(0.04)	(0.08)	(0.09)
PER	(x)	na	na	na	na	na
EBITDA	**(C$mm)**	**-1.0**	**-8.7**	**-4.0**	**-8.0**	**-8.0**
EBITDA/share	(C$/share)	(0.03)	(0.09)	(0.04)	(0.08)	(0.08)
EV/EBITDA	(x)	-36.5x	-47.0x	-120.5x	-63.8x	-69.1x
Cash Flow	**(C$mm)**	**-1.1**	**-6.2**	**-4.0**	**-8.0**	**-8.6**
Cash Flow/share	(C$/share)	(0.03)	(0.06)	(0.04)	(0.08)	(0.09)
P/Cash Flow	(x)	na	na	na	na	na
Dividend	**(C$/share)**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Ordinary Shares	**(mm)**	**39.4**	**100.5**	**100.5**	**100.5**	**100.5**

PROFIT AND LOSS STATEMENT - C$mm (December Year End)	2023A	2024A	2025E	2026E	2027E
Mining Revenue	0.0	0.0	0.0	0.0	0.0
Production Costs	0.0	0.0	0.0	0.0	0.0
G&A	(0.5)	(4.0)	(8.0)	(8.0)	(8.0)
Exploration and Other Expenses	0.0	0.0	0.0	0.0	0.0
Other Income	0.0	0.0	0.0	0.0	0.0
EBITDA	**(1.0)**	**(4.0)**	**(8.0)**	**(8.0)**	**304.0**
Depeciation	0.0	0.0	0.0	0.0	0.0
EBIT	(1.0)	(4.0)	(8.0)	(8.0)	304.0
Tax	0.0	0.0	0.0	0.0	(93.6)
NPAT (pre-Adjustments)	**(1.0)**	**(4.0)**	**(8.0)**	**(8.0)**	**210.4**
Minority Interest	0.0	0.0	0.0	0.0	0.0
After-tax Non-Operating Items	(0.5)	0.0	0.0	0.0	0.0
Net Income (reported)	**(1.0)**	**(4.0)**	**(8.6)**	**(14.1)**	**185.4**
Net Income (adjusted)	**(0.5)**	**(4.0)**	**(8.6)**	**(14.1)**	**185.4**

CASH FLOW ANALYSIS - C$mm (December Year End)	2023A	2024A	2025E	2026E	2027E
Cash Flows From Operating Activities					
Net Income	(1.0)	(8.5)	(4.0)	(8.0)	(8.6)
Non-Cash Items	0.5	5.3	0.0	0.0	0.0
Re-invested in Working Capital	(0.7)	(3.1)	0.0	0.0	0.0
Cash Flows From Investing Activities					
Property and Business Activities	0.0	0.0	0.0	0.0	0.0
Acq.of Property, Plant and Equip.	(0.1)	(1.3)	(7.0)	(21.3)	(33.3)
Other	(0.9)	(16.4)	0.0	0.0	0.0
Cash Flows From Financing Activities					
Proceeds From Borrowings	0.0	0.0	0.0	0.0	0.0
Repayment of Borrowings	0.0	0.0	0.0	0.0	0.0
Other	5.9	44.2	3.4	0.5	0.0
Net Increase In Cash Held	3.8	20.2	(7.5)	(28.8)	(42.0)
Cash At Beginning of Year	0.0	5.8	26.0	18.5	(10.3)
Cash At End of Year	5.8	26.0	18.5	(10.3)	(52.3)

BALANCE SHEET ANALYSIS - C$mm (December Year End)	2023A	2024A	2025E	2026E	2027E
Current Assets					
Cash and Cash Equivalents	5.8	30.0	18.5	(10.3)	(52.3)
Other	0.2	0.4	0.4	0.4	0.4
Non-Current Assets					
Investments	0.0	0.0	0.0	0.0	0.0
Fixed Assets	15.1	41.0	47.9	69.2	102.6
Other	6.0	30.5	19.0	(9.8)	(51.8)
Current Liabilities					
Borrowings	0.0	0.0	0.0	0.0	0.0
Creditors	1.6	3.5	3.5	3.5	3.5
Other	0.0	0.0	0.0	0.0	0.0
Non-Current Liabilities					
Borrowings	0.0	0.0	0.0	0.0	0.0
Other	1.6	3.5	3.5	3.5	3.5
Shareholders Funds	19.5	64.0	63.5	56.0	47.3
Net Debt to Equity	-29.7%	-46.9%	-29.2%	18.3%	110.4%

PROJECT	0% NPV C$mm	5% NPV C$mm	GOLD PRODUCTION (oz) 2023A	2024A	2025E	2026E	2027E
ANTINO(SURINAME)	1,474.9	744.0	-	-	-	-	-
MINE 2 (LOCATION)	0.0	0.0	-	-	-	-	-
MINE 3 (LOCATION)	0.0	0.0	-	-	-	-	-
Exploration Credit	150.0	150.0					
Hedge Book	0.0	0.0					
Corporate	(124.0)	(85.5)					
Net Cash & Non Identi	30.4	30.4					
Options & Warrants	8.1	8.1					
Total NPV	1,539.5	847.1					
Per Share	$15.32	$8.43	IRR = 8.1%		P/NPV 0.6x		

Source: BMO Capital Markets

Exhibit 16 - FDR Block Model at Spot Gold Price

FOUNDERS METALS — FDR

Recommendation		OP(S)	Analyst	AM
	As at 29-Jan-25		BMO Capital Markets	
Year End		December		
Share Price		$4.95 C$/share	$3.43 US$/share	
Target Price		$7.50 C$/share	$5.19 US$/share	
Net Present Value	5%	$15.60 C$/share	$10.80 US$/share	
	0%	$27.70 C$/share	$19.18 US$/share	
Market Cap		435.9 C$mm	301.8 US$mm	
Ordinary Shares		88.1 mm		
Options & Warrants		12.3 mm		

PRICE ASSUMPTIONS - SPOT PRICES

(December Year End)		2023A	2024A	2025E	2026E	2027E
Exchange Rate	CAD:USD	0.69	0.69	0.69	0.69	0.69
Gold	US$/oz	2,757	2,757	2,757	2,757	2,757
Silver	US$/oz	30.82	30.82	30.82	30.82	30.82
Copper	US$/lb	4.03	4.03	4.03	4.03	4.03
Zinc	US$/lb	1.25	1.25	1.25	1.25	1.25
Oil	US$/bbl	73.79	73.79	73.79	73.79	73.79

FINANCIAL SUMMARY

(December Year End)		2023A	2024A	2025E	2026E	2027E
NPAT (pre-Abs)	**(C$mm)**	**(0.5)**	**(3.1)**	**(4.0)**	**(8.0)**	**(8.7)**
ADJUSTED EPS	(C$/share)	(0.01)	(0.05)	(0.04)	(0.08)	(0.09)
PER	(x)	na	na	na	na	na
EBITDA	**(C$mm)**	**-1.0**	**-8.7**	**-4.0**	**-8.0**	**-8.0**
EBITDA/share	(C$/share)	(0.03)	(0.09)	(0.04)	(0.08)	(0.08)
EV/EBITDA	(x)	-36.5x	-47.0x	-120.5x	-63.9x	-69.5x
Cash Flow	**(C$mm)**	**-1.1**	**-6.2**	**-4.0**	**-8.0**	**-8.7**
Cash Flow/share	(C$/share)	(0.03)	(0.06)	(0.04)	(0.08)	(0.09)
P/Cash Flow	(x)	na	na	na	na	na
Dividend	**(C$/share)**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Ordinary Shares	**(mm)**	**39.4**	**100.5**	**100.5**	**100.5**	**100.5**

PROFIT AND LOSS STATEMENT - C$mm

(December Year End)	2023A	2024A	2025E	2026E	2027E
Mining Revenue	0.0	0.0	0.0	0.0	0.0
Production Costs	0.0	0.0	0.0	0.0	0.0
G&A	(0.5)	(4.0)	(8.0)	(8.0)	(8.0)
Exploration and Other Expenses	0.0	0.0	0.0	0.0	0.0
Other Income	0.0	0.0	0.0	0.0	0.0
EBITDA	**(1.0)**	**(4.0)**	**(8.0)**	**(8.0)**	**487.9**
Depeciation	0.0	0.0	0.0	0.0	0.0
EBIT	(1.0)	(4.0)	(8.0)	(8.0)	487.9
Tax	0.0	0.0	0.0	0.0	(148.8)
NPAT (pre-Adjustments)	**(1.0)**	**(4.0)**	**(8.0)**	**(8.0)**	**339.1**
Minority Interest	0.0	0.0	0.0	0.0	0.0
After-tax Non-Operating Items	(0.5)	0.0	0.0	0.0	0.0
Net Income (reported)	**(1.0)**	**(4.0)**	**(8.7)**	**(14.6)**	**312.9**
Net Income (adjusted)	**(0.5)**	**(4.0)**	**(8.7)**	**(14.6)**	**312.9**

CASH FLOW ANALYSIS - C$mm

(December Year End)	2023A	2024A	2025E	2026E	2027E
Cash Flows From Operating Activities					
Net Income	(1.0)	(8.5)	(4.0)	(8.0)	(8.7)
Non-Cash Items	0.5	5.3	0.0	0.0	0.0
Re-invested in Working Capital	(0.7)	(3.1)	0.0	0.0	0.0
Cash Flows From Investing Activities					
Property and Business Activities	0.0	0.0	0.0	0.0	0.0
Acq.of Property, Plant and Equip.	(0.1)	(1.3)	(7.0)	(21.8)	(36.1)
Other	(0.9)	(16.4)	0.0	0.0	0.0
Cash Flows From Financing Activities					
Proceeds From Borrowings	0.0	0.0	0.0	0.0	0.0
Repayment of Borrowings	0.0	0.0	0.0	0.0	0.0
Other	5.9	44.2	3.4	0.5	0.0
Net Increase In Cash Held	3.8	20.2	(7.5)	(29.3)	(44.8)
Cash At Beginning of Year	0.0	5.8	26.0	18.5	(10.8)
Cash At End of Year	5.8	26.0	18.5	(10.8)	(55.6)

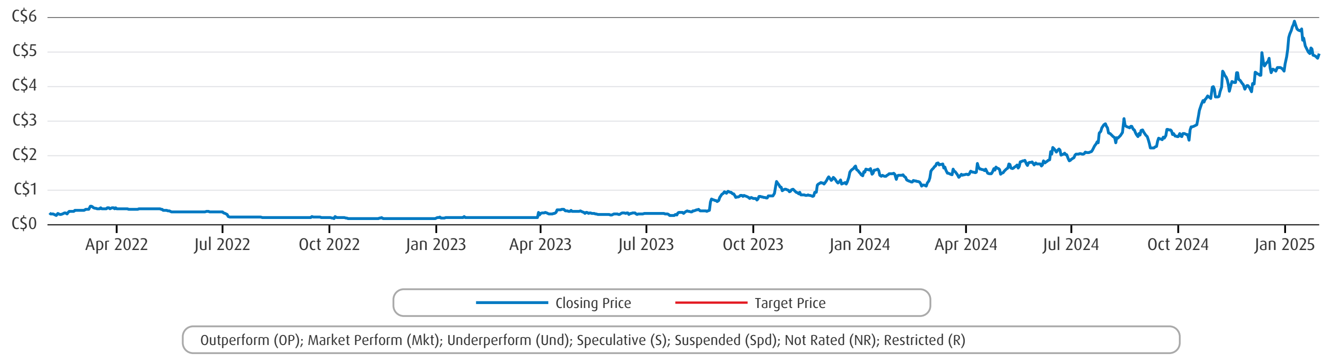
BALANCE SHEET ANALYSIS - C$mm

(December Year End)	2023A	2024A	2025E	2026E	2027E
Current Assets					
Cash and Cash Equivalents	5.8	30.0	18.5	(10.8)	(55.6)
Other	0.2	0.4	0.4	0.4	0.4
Non-Current Assets					
Investments	0.0	0.0	0.0	0.0	0.0
Fixed Assets	15.1	41.0	47.9	69.8	105.9
Other	6.0	30.5	19.0	(10.3)	(55.1)
Current Liabilities					
Borrowings	0.0	0.0	0.0	0.0	0.0
Creditors	1.6	3.5	3.5	3.5	3.5
Other	0.0	0.0	0.0	0.0	0.0
Non-Current Liabilities					
Borrowings	0.0	0.0	0.0	0.0	0.0
Other	1.6	3.5	3.5	3.5	3.5
Shareholders Funds	19.5	64.0	63.5	56.0	47.3
Net Debt to Equity	-29.7%	-46.9%	-29.2%	19.4%	117.7%

PROJECT	**0% NPV C$mm**	**5% NPV C$mm**	**GOLD PRODUCTION (oz) 2023A**	**2024A**	**2025E**	**2026E**	**2027E**
ANTINO(SURINAME)	2,718.5	1,464.4	-	-	-	-	-
MINE 2 (LOCATION)	0.0	0.0	-	-	-	-	-
MINE 3 (LOCATION)	0.0	0.0	-	-	-	-	-
Exploration Credit	150.0	150.0					
Hedge Book	0.0	0.0					
Corporate	(124.0)	(85.5)					
Net Cash & Non Identi	30.4	30.4					
Options & Warrants	8.1	8.1					
Total NPV	2,783.0	1,567.5					
Per Share	$27.70	$15.60	IRR = 14.3%		P/NPV 0.3x		

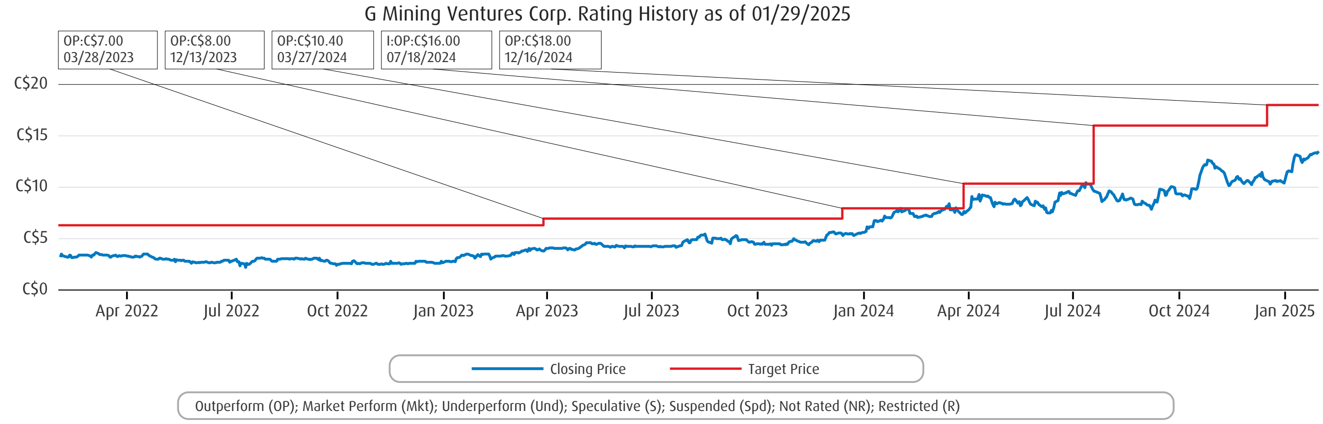
Source: BMO Capital Markets

Founders Metals Rating History as of 01/29/2025



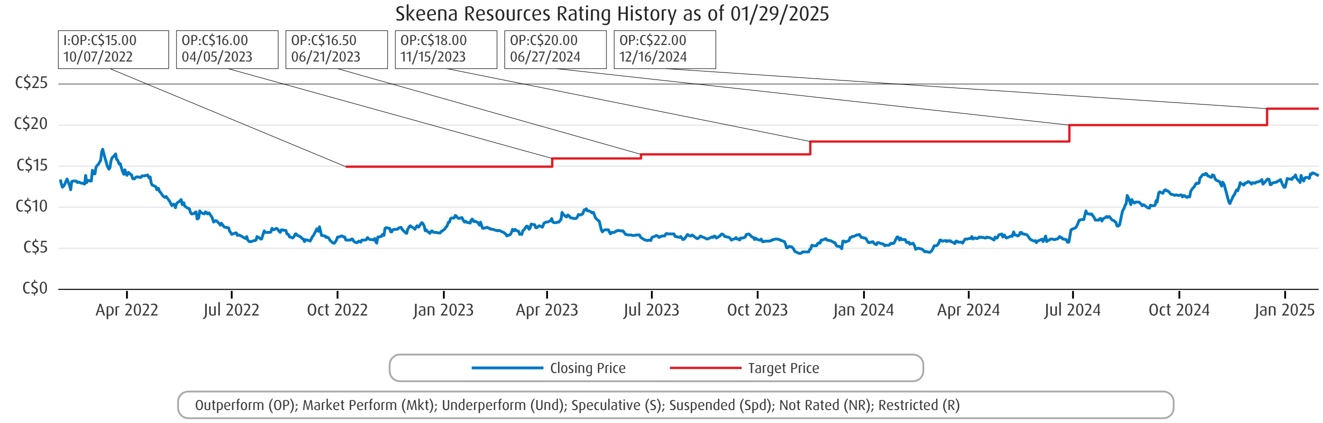
Source: FactSet, BMO Capital Markets

G Mining Ventures Corp. Rating History as of 01/29/2025



Source: FactSet, BMO Capital Markets

Skeena Resources Rating History as of 01/29/2025



Source: FactSet, BMO Capital Markets

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Disclosure 2: BMO Capital Markets has provided investment banking services for remuneration with respect to Founders Metals and Skeena Resources within the past 12 months.

Disclosure 3: BMO Capital Markets has managed or co-managed a public offering of securities with respect to Founders Metals within the past 12 months.

Disclosure 4: BMO Capital Markets or an affiliate has received compensation for investment banking services from Founders Metals and Skeena Resources within the past 12 months.

Disclosure 5: BMO Capital Markets or an affiliate received compensation for products or services other than investment banking services within the past 12 months from G Mining Ventures Corp. and Skeena Resources.

Disclosure 6A: Founders Metals and Skeena Resources is a client (or was a client) of BMO Nesbitt Burns Inc., BMO Capital Markets Corp., BMO Capital Markets Limited or an affiliate within the past 12 months: A) Investment Banking Services

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Disclosure 18: A redacted draft of this report was previously shown to Founders Metals (for fact checking purposes) and changes were made to the report before publication.

Methodology and Risks to Target Price/Valuation for Founders Metals (FDR-TSXV)

Methodology: In line with the rest of the coverage for developers in the mining sector, we use a NAV multiple methodology to value Founders' shares. We apply a 0.9x multiple to our calculated NAV, appropriate in our view for an early-stage development company with exploration and development/financing unknowns. We have not modelled financing debt or equity costs/dilution as these structures are unknown.

Risks: The main risk to Founders is exploration/resource risk as there is significant market expectation for a continuation of strong drill results and new discoveries at Antino. Financing risk is medium to high as Founders will have to secure additional financing to fund further drilling and a NI-43-101 compliant resource estimate. Jurisdictional risk is low to medium, as Suriname has built a track record of mining investment from small scale artisanal to commercial scale conglomerates. Access to the Antino project is manageable — the project is remote but has road, river (barges), and airport access.

Methodology and Risks to Target Price/Valuation for G Mining Ventures Corp. (GMIN-TSX)

Methodology: In line with the rest of the sector coverage universe, we use NAV to value development-stage assets. For the Tocantinzinho mine we are using GMIN's 2022 feasibility study and for the Oko West development project we are making broad placeholder valuation assumptions.

Risks: Resource risk is moderate in our opinion at both Tocantinzinho and Oko West as both projects are extensively drilled. Operational risk is moderate in our opinion based management's track record in building and operating mines, especially in tropical locations. Jurisdictional risk is moderate in our opinion since Brazil, where the Tocantinzinho project is located, is home to a broad and established mining sector and Guyana, where Oko West is located, is similarly a known destination for mining investments.

Methodology and Risks to Target Price/Valuation for Skeena Resources (SKE-TSX)

Methodology: We use a NAV multiple methodology to value Skeena shares consistent with other developers in the mining sector. We apply a 1.1x multiple to our calculated NAV, appropriate in our view for an advanced-stage development company with a premium asset in terms of scale and grade.

Risks: The main risk for Skeena is permitting, particularly the risk of an extended permitting timeline that could push back development of Eskay Creek. Given the brownfields nature of the Eskay Creek project and an already permitted tailings facility, the risk of not eventually receiving final permits is not significant, in our view. Financing risk also applies as Skeena will need to finance the estimated C$592mm construction capex. Technical risks associated with construction and operation of Eskay Creek are also present as with all developers, although we do not see any elevated technical risks and would suggest that these risks are moderately lower compared to greenfields development projects. In our opinion, Skeena has adequately addressed the historically known concentrate penalties, associated with the presence of mercury and arsenic in the Eskay Creek ore, in its feasibility study.

Distribution of Ratings (January 29, 2025)

Rating category	BMO rating	BMOCM US Universe*	BMOCM US IB Clients**	BMOCM US IB Clients***	BMOCM Universe****	BMOCM IB Clients*****	StarMine Universe~
Buy	Outperform	53.1 %	23.9 %	60.8 %	57.7 %	67.7 %	57.7%
Hold	Market Perform	44.3 %	17.6 %	37.2 %	40.8 %	31.4 %	37.5%
Sell	Underperform	2.7 %	15.4 %	2.0 %	1.5 %	0.8 %	4.8%

* Reflects rating distribution of all companies covered by BMO Capital Markets Corp. equity research analysts.

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~ As of April 1, 2019.

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Mkt = Market Perform - Forecast to perform roughly in line with the analyst's coverage universe on a total return basis;
Und = Underperform - Forecast to underperform the analyst's coverage universe on a total return basis;
(S) = Speculative investment;
Spd = Suspended - Coverage and rating suspended until coverage is reinstated;
NR = No Rated - No rating at this time; and
R = Restricted - Dissemination of research is currently restricted.

The total return potential, target price and the associated time horizon is 12 months unless otherwise stated in each report. BMO Capital Markets' seven Top 15 lists guide investors to our best ideas according to different objectives (CDN Large Cap, CDN Small Cap, US Large Cap, US Small Cap, Income, CDN Quant, and US Quant have replaced the Top Pick rating).

Prior BMO Capital Markets Rating System

(April 2013 - October 2016)
http://researchglobal.bmocapitalmarkets.com/documents/2013/rating_key_2013_to_2016.pdf

(January 2010 - April 2013)
http://researchglobal.bmocapitalmarkets.com/documents/2013/prior_rating_system.pdf

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