# Barton Gold Holdings Ltd

**BGD.AX**

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# Challenger Underground MRE 2X


**Equity Research Australia**
**Materials**

**Michael Bentley**, Senior Analyst
michael.bentley@mstaccess.com.au


## NEED TO KNOW

- Challenger Mineral Resource Estimate (MRE) upgrade: underground doubles to 230koz @ 3.68 g/t Au; newly defined open pit – Challenger 3; further drilling expected
- Accelerated underground development options being looked at
- DFS for restart of adjacent Central Gawler Mill (CG Mill) on the way

**Challenger MRE upgrade: underground doubles; new pit defined:** Barton Gold's (BGD's) resource upgrade and pit optimisation drilling program at Challenger produced a materially upgraded MRE. The new MRE of 11.2Mt @ 1.03 g/t, for a total 370koz of contained gold, represents an 18% increase in contained gold and a 12% increase in grade, with the Indicated portion of the MRE growing by 21%. The high-grade underground resource doubled to 230koz of gold, inclusive of 23koz gold in the 'Deeps' zone which has also been partially developed. The updated MRE incorporates a new open-pittable deposit, Challenger 3, which sits along strike of the existing open pits, extending ~1,000m from SW to NE, and adds 8koz to the MRE. Multiple underground and open-pit targets have been defined for follow-up drilling.

**Accelerated underground development review to commence:** On the back of the upgrade to the underground MRE, BGD will commence a review of potential Challenger underground development options shortly.

**Definitive Feasibility Study (DFS) on the way:** The Challenger DFS, focused on the capital and operating costs of restarting its Central Gawler Mill (CG Mill) and targeting an initial 3-4 year Stage 1 'baseline' operation utilising historical higher-grade tailings is targeted for early CY27.

## Investment Thesis

**Low-capex CG Mill restart delivers near-term cashflow:** BGD aims to commence tailings reprocessing and to generate first cashflow in CY27.

**Springboard for long-term growth via production expansion, regional consolidation and exploration:** The CG Mill is BGD's first processing hub; the adjacent Challenger Mine will provide additional ore, and Tarcoola and Wudinna will generate further long-term cashflow. Tunkillia is set to be the second hub, and we forecast potential EBITDA of >A$400m pa (from FY2032) at >50% margins from that project. We see further potential cashflow via third-party tolling and regional consolidation with stranded regional deposits. Exploration at all of BGD's assets adds growth potential.

**Precious gold + silver exposure:** Gold is one of the world's deepest and most continuous markets. Prices remain historically high. Silver is a critical metal with both precious and industrial characteristics and persistent supply deficits, with the Tolmer project offering potential high-grade silver exposure.

## Valuation (Sum of the Parts: A$2.90) and Risks

Our A$2.90/share valuation (previously A$2.82) adds the risked NPV of the CG Mill / Challenger Mine and Tunkillia to our estimate for the remaining projects. Our valuation has increased to A$2.90 on our increasing confidence in the Challenger Gold Project. Key risks: gold and silver prices, project execution, exploration and funding.

Barton Gold

Barton Gold is an Australian gold developer with a ~2.29Moz Au resource, targeting future gold production of ~150kozpa. The company has 100% ownership of the only regional gold mill in the renowned central Gawler Craton of South Australia. Barton is focused on a restart of 'Stage 1' production at its existing Central Gawler Mill, development of its 'Stage 2' Tunkillia Project with a second mill to grow to 150,000ozpa Au production, and exploration of surrounding large mineral systems to feed this 'hub and spoke' model, where there are significant upside opportunities in historically under-invested assets.

| | |
|---|---|
| Valuation | **A$2.90** *(from A$2.82)* |
| Current price | **A$0.73** |
| Market cap | **A$198m** |
| Cash on hand | **A$23.2m** *(30 Sep 2026)* |

### Upcoming Catalysts / Next News

| Period | |
|---|---|
| 4QCY26 | Tunkillia gold MRE update |
| 1QCY27 | Tunkillia silver MRE and PFS |
| 1QCY27 | Challenger DFS |

### Share Price (A$)




*Source: FactSet, MST Access.*


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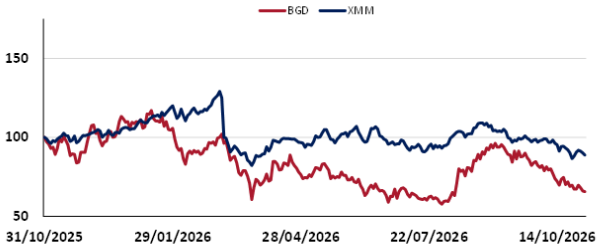
# Financial Summary

## Figure 1: Financial summary

**Year Ending 30 June** — **BARTON GOLD HOLDINGS LIMITED BGD-AU**

| MARKET DATA | | |
|---|---|---|
| Share Price | A$/sh | 0.73 |
| 52 week high/low | A$/sh | 1.45-0.69 |
| Valuation | A$/sh | 2.90 |
| Market Cap (A$m) | A$m | 198 |
| Net Cash / (Debt) (A$m) | A$m | 23 |
| Enterprise Value (A$m) | A$m | 175 |
| Shares on Issue | m | 272 |
| Options/Performance shares | m | 12 |
| Other Equity | m | 25 |
| Potential Diluted Shares on Issue | m | 309 |
| **AUD/USD assumption** | **$** | **0.70** |
| **Gold Price Assumption** | **US$/oz** | **3,800** |

12-Month Relative Performance vs S&P/ASX Metals & Mining




| INVESTMENT FUNDAMENTALS | | FY25A | FY26A | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|---|
| Reported NPAT | A$m | (2) | (22) | (18) | 2 | 29 |
| Underlying NPAT | A$m | (2) | (22) | (18) | 2 | 29 |
| Reported EPS | ¢ps | (0.8) | (8.3) | (6.6) | 0.9 | 10.0 |
| Underlying EPS | ¢ps | (0.8) | (8.2) | (6.6) | 0.9 | 10.0 |
| Underlying EPS Growth | % | n/m | n/m | n/m | n/m | 1077.7% |
| P/E Reported (undiluted) | x | n/m | n/m | n/m | 85.8 | 7.3 |
| P/E Underlying (undiluted) | x | n/m | n/m | n/m | 85.8 | 7.3 |
| Operating Cash Flow / Share | A$ | 0.01 | (0.01) | (0.02) | 0.03 | 0.13 |
| Price / Operating Cash Flow | x | 122.8 | n/m | n/m | 22.9 | 5.7 |
| Free Cash Flow / Share | A$ | (0.02) | (0.07) | (0.06) | (0.16) | 0.09 |
| Price / Free Cash Flow | x | n/m | n/m | n/m | n/m | 7.9 |
| Free Cash Flow Yield | % | n/m | n/m | n/m | n/m | 12.6% |
| Book Value / Share | A$ | 0.05 | 0.12 | 0.20 | 0.20 | 0.31 |
| Price / Book | x | 15.50 | 5.85 | 3.73 | 3.59 | 2.33 |
| NTA / Share | A$ | 0.05 | 0.12 | 0.20 | 0.20 | 0.31 |
| Price / NTA | x | 15.5 | 5.8 | 3.7 | 3.6 | 2.3 |
| Year End Shares | m | 223 | 270 | 270 | 285 | 295 |
| Market Cap (spot) | A$m | 163 | 197 | 197 | 208 | 216 |
| Net Cash / (Debt) | A$m | 9 | 32 | 40 | (7) | 21 |
| Enterprise Value | A$m | 154 | 166 | 158 | 215 | 195 |
| EV / EBITDA | x | n/m | n/m | n/m | 40.2x | 5.5x |
| Net Debt / Enterprise Value | x | (0.1) | (0.2) | (0.2) | 0.0 | (0.1) |
| Dividend per share | c | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Production Forecasts | | | | | | |
| Challenger | koz | N/A | N/A | 5 | 14 | 14 |

| Profit & Loss (A$m) | FY25A | FY26A | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| Revenue | 9 | 1 | 1 | 27 | 73 |
| Expenses | (10) | (23) | (19) | (23) | (41) |
| **EBITDA** | **(2)** | **(22)** | **(18)** | **4** | **32** |
| D&A | - | - | - | - | - |
| **EBIT** | **(2)** | **(22)** | **(18)** | **4** | **32** |
| Interest | (0) | 0 | 0 | (2) | (3) |
| Tax | - | - | 1 | - | - |
| **Underlying NPAT** | **(2)** | **(22)** | **(18)** | **2** | **29** |
| Exceptionals | - | (0) | - | - | - |
| **Reported Profit** | **(2)** | **(22)** | **(18)** | **2** | **29** |
| Net profit before tax | (1) | (22) | (18) | 2 | 29 |

| Balance Sheet (A$m) | FY25A | FY26A | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| Cash | 9 | 32 | 80 | 33 | 61 |
| Receivables | 4 | 6 | 0 | 2 | 6 |
| Inventory | - | 0 | 0 | 1 | 4 |
| PP&E | 0 | 1 | 13 | 63 | 68 |
| Exploration | 9 | 14 | 14 | 14 | 14 |
| Other | 2 | 0 | 0 | 0 | 0 |
| **Total Assets** | **25** | **53** | **107** | **115** | **153** |
| Creditors | 1 | 5 | 0 | 2 | 6 |
| Debt | - | - | 40 | 40 | 40 |
| Leases | 0 | 0 | 0 | 0 | 0 |
| Provisions | 13 | 14 | 14 | 14 | 14 |
| Other | 0 | 1 | 1 | 1 | 1 |
| **Total Liabilities** | **15** | **19** | **54** | **57** | **60** |
| **Net Assets** | **11** | **34** | **53** | **58** | **93** |

| Cashflow (A$m) | FY25A | FY26A | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| Cash From Operations | 1 | (2) | (5) | 11 | 41 |
| Interest | 0 | 0 | 0 | (2) | (3) |
| Tax | - | - | 1 | - | - |
| **Net Cash From Operations** | **1** | **(2)** | **(5)** | **9** | **38** |
| Capex | 1 | (0) | - | (50) | (5) |
| Exploration | (6) | (15) | (12) | (5) | (5) |
| Investments | 0 | (0) | - | - | - |
| **Free Cash Flow** | **(4)** | **(18)** | **(17)** | **(46)** | **27** |
| Equity | 3 | 41 | 25 | - | - |
| Borrowings | - | - | 40 | - | - |
| Dividend | - | - | - | - | - |
| **Net Increase / (Decrease) in Cash** | **(1)** | **23** | **48** | **(46)** | **27** |

**Mineral Resources**

| Classification | Au (Mt) | Au (g/t) | Contained Au (koz) | Ag (Mt) | Ag (g/t) | Contained Ag (koz) |
|---|---|---|---|---|---|---|
| **Indicated** | 40.4 | 0.83 | 1084 | - | - | - |
| **Inferred** | 40.0 | 0.94 | 1,207 | 34.5 | 2.80 | 3,070 |
| **Total** | 80.4 | 0.89 | 2,290 | 34.5 | 2.80 | 3,070 |

| Project (100%) | Au (Mt) | Au (g/t) | Contained Au (koz) | Ag (Mt) | Ag (g/t) | Contained Ag (koz) |
|---|---|---|---|---|---|---|
| **Challenger** | 11.2 | 1.03 | 370 | - | - | - |
| **Tunkillia** | 62.9 | 0.80 | 1,612 | 34.5 | 2.80 | 3,070 |
| **Wudinna** | 5.8 | 1.50 | 279 | - | - | - |
| **Tarcoola** | 0.5 | 1.68 | 29 | - | - | - |

*Source: Company data, MST Access.*

# Challenger MRE – Underground Doubles

BGD's completed a 9,387m resource upgrade and pit optimisation drilling program at Challenger. As a result of the program, BGD has substantially upgraded the MRE of the Challenger Gold Project. The upgraded MRE is **11.2Mt @ 1.03 g/t for a total 370koz of contained gold.** Key highlights include:

- Contained gold increased by 18%.
- Grade increased by 12%.
- The overall confidence of the MRE has increased, with the Indicated portion of the resource increasing by 21%.
- 246koz (2.17Mt @ 3.53 g/t) is contained within existing developed open-pit and underground areas, all of which is adjacent to BGD's CG Mill.
- The high-grade underground MRE increased by 105% (or 2.05x), due to: (1) the addition of previously unclassified materials and (2) the re-estimation of previously modelled 'open-pit' mineralisation as higher-grade materials better suited to more efficient extraction from the underground. BGD will commence a review on fast tracking underground development.
- New 'Challenger 3' deposit confirmed along strike of Challenger West and Main pits, which is capable of open-pittable baseload mineralisation, and indicates significant near-term growth potential through further drilling.

**Figure 2: Upgraded Challenger MRE vs. prior Challenger MRE – a material upgrade**

| | Indicated | | | Inferred | | | Total | | |
|---|---|---|---|---|---|---|---|---|---|
| Zone | Mt | Grade (g/t) | Koz | Mt | Grade (g/t) | Koz | Mt | Grade (g/t) | Koz |
| Challenger Underground *(above 215mRL)* | 0.11 | 4.82 | 17 | 1.64 | 3.60 | 190 | **1.75** | **3.68** | **207** |
| Callenger Deeps *(below 90mRL)* | | | | 0.21 | 3.50 | 23 | **0.21** | **3.5** | **23** |
| Challenger Main Open Pit | 0.15 | 2.23 | 10 | 0.05 | 1.94 | 3 | **0.20** | **2.15** | **14** |
| Challenger West Open Pit | 0.01 | 6.66 | 2 | 0.00 | 3.30 | 0.2 | **0.01** | **6.1** | **2** |
| Challenger SSW Deposit | 0.18 | 0.86 | 5 | 0.2 | 0.69 | 4 | **0.38** | **0.77** | **9** |
| Challenger 3 Deposit | 0.21 | 0.89 | 6 | 0.07 | 0.68 | 1.63 | **0.29** | **0.84** | **8** |
| Tailings Storage Facility 1 | 3.19 | 0.54 | 56 | | | | **3.19** | **0.54** | **56** |
| Tailings Storage Facility 2 | 5.13 | 0.31 | 52 | | | | **5.13** | **0.31** | **52** |
| Total | 8.98 | 0.51 | 148 | 2.17 | 3.18 | 222 | **11.2** | **1.03** | **370** |

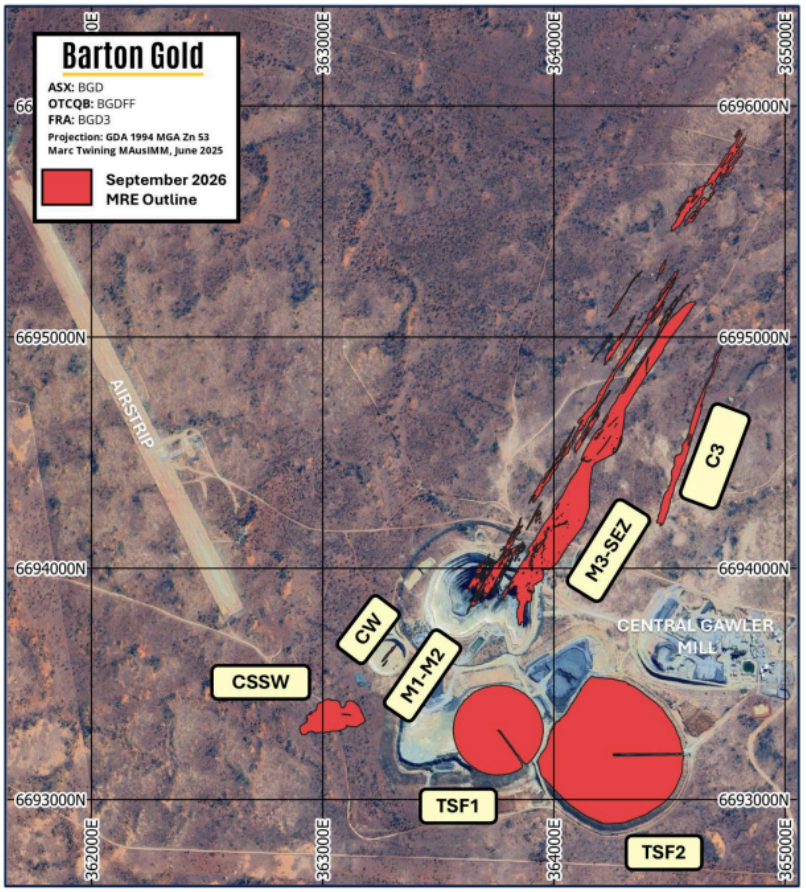
*Source: BGD.*

**Figure 3: Challenger MRE breakdown by zone and classification – more ounces and higher confidence**

| | Previous MRE (Total) | | | New MRE (Total) | | |
|---|---|---|---|---|---|---|
| Zone | Mt | Grade (g/t) | Koz | Mt | Grade (g/t) | Koz |
| Challenger Underground *(above 215mRL)* | 0.98 | 2.84 | 89.4 | **1.75** | **3.68** | **207** |
| Callenger Deeps *(below 90mRL)* | 0.21 | 3.50 | 23 | **0.21** | **3.5** | **23** |
| Challenger Main Open Pit | 0.65 | 3.36 | 70 | **0.20** | **2.15** | **14** |
| Challenger West Open Pit | 0.03 | 10.7 | 11.6 | **0.01** | **6.1** | **2** |
| Challenger SSW Deposit | 0.40 | 0.95 | 12.2 | **0.38** | **0.77** | **9** |
| Challenger 3 Deposit | | | | **0.29** | **0.84** | **8** |
| Tailings Storage Facility 1 | 3.19 | 0.54 | 56 | **3.19** | **0.54** | **56** |
| Tailings Storage Facility 2 | 5.13 | 0.31 | 52 | **5.13** | **0.31** | **52** |
| Total | 10.6 | 0.92 | 313 | **11.2** | **1.03** | **370** |

*Source: BGD.*

**Figure 4: Challenger site map displaying key infrastructure and MRE deposits**




*Source: BGD.*

## The key to the upgrade – Challenger underground

The Challenger underground MRE is the highlight of the MRE upgrade.

Results from an additional 8,065m of reverse-circulation (RC) underground drilling and 1,322m of diamond (DD) underground drilling has **doubled the Challenger underground MRE to 230koz @ 3.65 g/t Au**.

The underground upgrade ticks all the boxes:

- ✔️ Higher tonnes – upgraded from 1.19Mt to 1.96Mt
- ✔️ Higher grade – increased from 2.84 g/t to 3.68 g/t (shallower deposit, deeps remained constant)
- ✔️ Higher confidence – increased resource in Indicated category: from zero Indicated to 17koz
- ✔️ More ounces – increased from 112.4koz to 230koz

Challenger underground now makes up ~62% of the new 370koz Challenger resource.

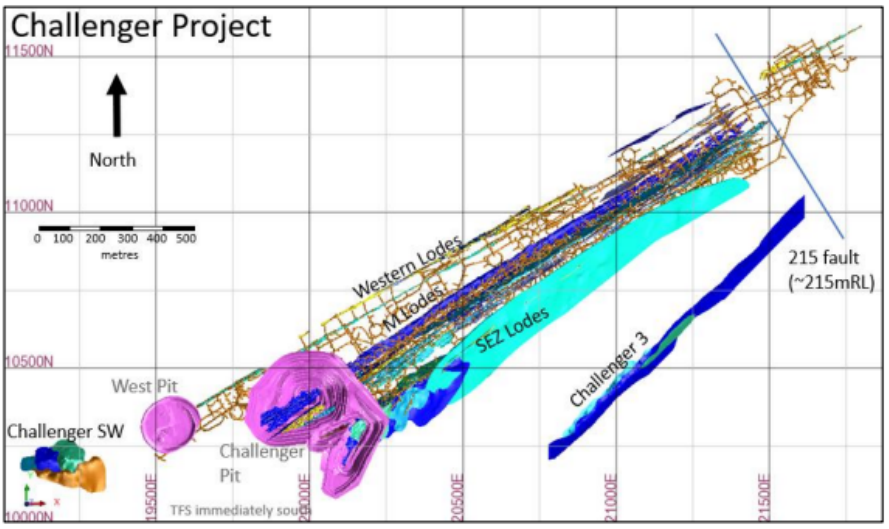
### Potential for underground development acceleration and growth

As a result of the positive underground MRE update, BGD expects to commence expedited analysis for potential underground development options.

Preliminary modelling of the underground's other unclassified mineralisation by third party consultants has indicated the potential to bring significant additional high-grade mineralisation into a future MRE or mine plan through further near-mine drilling. This review, along with the upgraded underground resource, has raised the potential for further resource growth as well as the integration of the underground into near-term development plans.

## Open pits – new deposit defined; existing pits remodelled

**Figure 5: Challenger open-pit orientation**




*Source: BGD.*

### Challenger 3 – newly defined

The updated MRE now incorporates, for the first time, the new open-pittable Challenger 3 deposit which sits along strike of the existing open pits, extending ~1,000m from SW to NE (see Figure 5). The new Challenger 3 deposit has been defined along strike of the Challenger SSW deposit and the existing Challenger West and Main open pits. While it remains a small deposit in the first instance, it has potential to provide valuable 'baseload' open-pit feed, and BGD's review indicates the potential for further growth through infill drilling and extension drilling along strike. Challenger 3 adds an additional 8koz to the MRE.

Challenger 3 will form part of a further review of open-pit resources for further infill drilling to convert low-risk open-pittable mineralisation into the Indicated category as potential baseline mill feed.

### Open-pit remodelling – some ounces moved to underground

117koz of the MRE is attributed to the open-pit Challenger SSW deposit and two tailings storage facilities.

Open-pit remodelling has led to changes in the resource, with a more conservative approach taken to optimising the open-pit shells. The result saw contained gold in the open-pit resource reduce from 70koz to 14koz (see Figure 2).

The change is partly due to tonnage previously included in the Main open pit being re-classified as underground. Remodelling of mineralisation to underground follows a detailed on-site review by BGD and its consultants, and BGD expects it to lead to a more efficient and selective extraction of the ore.

### Next steps

BGD continues to analyse potential start-up and development options for the CG Mill that focus on risk reduction. BGD's current approach to a Challenger start-up is reprocessing higher-grade tailings, combined with low- to moderate-grade (but lower-risk) fresh ore from open pits. BGD's objective is to pursue a staged and lower-risk restart pathway that will provide a stable platform and optionality to then introduce higher-grade mineralisation from Challenger's established underground mine and other surrounding assets.

Given the highly successful upgrade to the MRE (particularly the underground), BGD will commence review of potential Challenger underground development options to commence shortly.

In addition, a review of recent drilling and updated modelling of mineralisation has identified multiple targets for follow-up drilling, including:

- further infill and extension of the new Challenger 3 deposit and infill of Challenger SSW to convert low-risk open-pittable mineralisation into the Indicated category as potential baseline mill feed
- further infill and extension of drilling on the Challenger 'Main' open pit, where the latest drilling has recently confirmed **new zones of high-grade mineralisation up to 170 g/t Au** in the pit walls
- drilling of Challenger's underground targeting material volumes of mineralisation for conversion to a resource.

## Challenger DFS on the way (target: early CY27)

BGD continues to progress its Definitive Feasibility Study (DFS) for the Challenger Project, which is targeted for early CY27. The DFS, which is focused on the capital and operating costs of reanimating its existing CG Mill, targets an initial 3–4 year 'baseline' operation utilising only historical higher-grade tailings from TSF1 as well as from limited, near-surface material without disturbing Challenger's historical high-grade underground mine, its mineralisation, or its infrastructure access. As part of the DFS, BGD has completed the following key programs, among others:

- a detailed condition assessment of the CG Mill and supporting infrastructure
- TSF1 geotechnical and metallurgical drilling, and communition and metallurgical test work
- the 9,387m DD and RC drilling program
- preliminary capital and operating cost estimates.

These analyses support the conclusions that the CG Mill is suitable for recommissioning to operations and that TSF1 materials reprocessing is considered technically feasible and operationally practical. The CG Mill is therefore a highly viable option for processing material from Tarcoola, Wudinna, and Tolmer.

# Tarcoola Moves Further into Indicated

BGD has also carried out remodelling of the Tarcoola MRE which was previously updated in July 2024. This has resulted in an updated Tarcoola resource of **0.53Mt @ 1.68 g/t Au for 29koz**. While this reflects a 1koz drop in contained gold, approximately **72% of material is now classified as Indicated**, compared to approximately 43% in the previous MRE. The update relates to the upgrading of existing stockpiles.

**Figure 6: Comparison of previous Tarcoola MRE with the updated Tarcoola MRE**

| | Previous MRE (Total) | | | New MRE (Total) | | |
|---|---|---|---|---|---|---|
| Zone | Mt | Grade (g/t) | Koz | Mt | Grade (g/t) | Koz |
| Perserverance Open Pit | | | | | | |
| Oxide | 0.00 | 0.62 | 0 | **0** | **0.62** | **0** |
| Transitional | 0.01 | 1.14 | 1 | **0.01** | **1.14** | **1** |
| Fresh | 0.31 | 2.03 | 19 | **0.31** | **2.03** | **19** |
| Stockpiles | | | | | | |
| Oxide | 0.17 | 1.20 | 7 | **0.16** | **1.20** | **6** |
| Fresh | 0.06 | 1.40 | 3 | **0.05** | **1.40** | **2** |
| Total | 0.54 | 1.7 | 30 | **0.53** | **1.68** | **29** |

*Source: BGD*

# Review of BGD's Drilling Program at Tunkillia

For a review of BGD's recent extensive drilling program at Tunkillia, please see our report published 13 October 2026, **'Tunkillia Focus – Phase 2 Drilling'.**

# Quarterly Report Update – Well Funded to Complete Challenger DFS and Tunkillia PFS

BGD's quarterly report summarised the key events of 1QFY27, including the following items.

## Tunkillia

- 38,760m ‘Phase 2’ RC and DD drilling completed, for a total of 57,653m of drilling in the past 12 months
- Further high-grade assays returned throughout all open-pit areas, including highest-grade assays to-date in S1 / S2 Starter Pits and confirmation of new shallow high-grade mineralisation
- JORC Mineral Resources Estimates (MRE) updates pending for both gold (target 4QCY26) and silver (target 1QCY27)
- Infrastructure sterilisation drilling program underway
- Environmental Scoping Report approved as key first step in South Australian Mining Lease (ML) approvals process
- Pre-feasibility Study (PFS) underway, set for delivery in 1QCY27

## Challenger Gold Project

- DFS ongoing, with the existing CG Mill confirmed suitable for recommissioning

## Tolmer silver discovery

- Numerous high-grade assays extend Tolmer silver discovery to 500m strike length
- Geological model pending
- Expedited metallurgical testwork to start after preliminary trial yields >100,000 g/t Ag concentrate

## Corporate – cash and strategic diesel reserve

**Cash:** BGD is well positioned to deliver all major forecast milestones, including Challenger DFS and Tunkillia PFS, and the company ended 1QFY27 with A$23.2m in cash

**Diesel security:** BGD has a strategic reserve of >250,000L on hand, which is sufficient to meet all budgeted FY27 field programs and site requirements.

# Valuation: Premium Location; High-Value Projects

## We see BGD as undervalued, with further potential valuation upside from Tolmer

Our base-case valuation for BGD is A$2.90 per share (previously A$2.82), representing significant potential upside from the current share price (see Figure 7).

In our view, the share price does not factor in the value of the projects given their premium location and tier-1 jurisdiction, established infrastructure, low environmental risk, strong government support, exploration potential, scale potential for significant improvements to the economic fundamentals of the projects from the revised DFS and the underlying gold and silver price.

Our valuation includes A$0.16 per share for BGD's 'other' projects, including Tolmer / Tarcoola & Wudinna (labelled 'Exploration & Investments' in Figure 7). Tolmer has shown very strong silver and gold exploration results as well as initial concentrate grades, making it a potentially highly marketable product. We have not allocated a specific valuation for Tolmer at this stage as there remains further drilling and metallurgical test work to be completed, with the aim to deliver a maiden MRE in CY27. However, the initial drilling results and met testing point to a potentially large and high-grade silver / gold deposit with the potential to add significantly to our valuation.

We also consider that our valuation is relatively conservative and has strong potential for further upgrades.

We believe that the exposure to gold and silver is positive given the strong short- and medium-term fundamentals for the commodities.

See Figure 8 for a comparison of our base-case valuation to alternative scenarios.

**Figure 7: Valuation – sum of the parts (base case)**

| $NPV_{10}$ OF PROJECTS | A$m | Ownership | Probability Risk Weighting | A$m Valuation | A$/share Valuation | Previous Valuation |
|---|---|---|---|---|---|---|
| CG Mill and Challenger Mine Project | 273 | 100% | 90% | 245 | 0.79 | 0.62 |
| Tunkillia Gold/Silver Project | 760 | 100% | 80% | 608 | 1.97 | 2.03 |
| Exploration & Investments | 50 | 100% | 100% | 50 | 0.16 | 0.16 |
| Corporate Costs | (30) | 100% | 100% | (30) | (0.10) | (0.10) |
| Net Cash (Debt) | 23.2 | 100% | 100% | 23 | 0.08 | 0.09 |
| **Total** | **1,076** | | | **897** | **2.90** | **2.82** |
| **WACC** | | | | | 10.0% | 10.0% |
| AUDUSD | | | | | 0.70 | 0.69 |
| Shares on issue (Undiluted) m | | | | | 271.9 | 271.0 |
| Options & Performance Rights m | | | | | 12.2 | 16.9 |
| Additional Equity Required m | | | | | 25.0 | 23.3 |
| Shares on issue (Fully Diluted) m | | | | | 309.1 | 311.2 |

*Source: MST Access.*

**Figure 8: Valuation scenarios (base case and alternative scenarios)**

| Valuation Scenario | A$ Valuation per share |
|---|---|
| Base Case - Risked NPV | 2.90 |
| Unrisked NPV | 3.51 |
| Unrisked Spot price valuation | 3.96 |

*Source: MST Access.*

# Base case: A$2.90 per share (fully diluted)

## Methodology: sum of the parts with risked $NPV_{10}$ for CG Mill/Challenger Mine and Tunkillia

For our base-case valuation, we value BGD using sum of the parts (SOTP), combining:

- **A$0.79 $NPV_{10}$ for the CG Mill and Challenger Mine.** We consider that the project has a strong chance of proceeding to development and thus allocate a probability risk weighting of 90% to the project. We have upgraded our probability rating from 80% t0 90% for the Challenger development post the recent MRE announcement as we consider this a major step forward towards the development of Challenger.
- **A$1.97 $NPV_{10}$ for the Tunkillia Project.** We also believe that this project, the company's main value driver, has a strong chance of proceeding to development. We allocate a probability risk weighting (no change) of 80% to Tunkillia.
- **A$0.16 for 'Exploration & Investments' (Tolmer / Tarcoola & Wudinna and exploration upside).** We believe that the potential for Tolmer / Tarcoola and Wudinna development is strong but that these assets are at too early a stage to develop a production profile. We also see further potential exploration upside across the portfolio and estimate an overall value for these assets.

## Assumptions on CG Mill/Challenger Mine and Tunkillia: the core

We have completed an NPV assessment of the CG Mill/Challenger Mine and Tunkillia Projects. Our assumptions are outlined in Figure 9, with further details discussed in the text that follows.

**Figure 9: Assumptions for CG Mill / Challenge Mine and Tunkillia $NPV_{10}$ calculation**

| Assumptions | CG Mill / Challenger Mine | Tunkillia |
|---|---|---|
| **PROJECT ASSUMPTIONS** | | |
| Project Ownership (%) | 100% | 100% |
| First production | FY28 | FY31 |
| Annual Gold Production (koz) LOM Avge | 28 | 103 |
| Annual Silver Production (koz) LOM Avge | - | 224 |
| Mine Life (years) | 7 | 9 |
| Pre Production Capex (A$m, real) | 50 | 453 |
| AISC cost (A$/oz , real) | 1,736 | 2,174 |
| | | |
| **FINANCIAL ASSUMPTIONS** | | |
| Discount Rate (%) | 10% | 10% |
| Inflation Rate (%) | 2.5% | 2.5% |
| Probability / Risk Assumption % | 90% | 80% |
| Funding Debt / Equity % | 80%/20% | Cashflow + Debt |
| Share price assumption cap raise (A$/s) (Project) | 1.00 | N/A |
| | | |
| **PRICING & TAX ASSUMPTIONS** | | |
| Gold (US$/oz) -real | 3,800 | 3,800 |
| Silver (US$/oz) -real | 65 | 65 |
| AUD/USD X Rate | 0.70 | 0.70 |
| Royalty Rate (%) | 4% | 4% |
| Corporate Tax Rate (%) | 30% | 30% |

*Source: MST Access.*

**CG Mill / Challenger Mine**

CG Mill / Challenger Mine is a brownfield project which incorporates an existing mill with a known capacity of 600ktpa as well as an existing resource (a combination of tailings and underground).

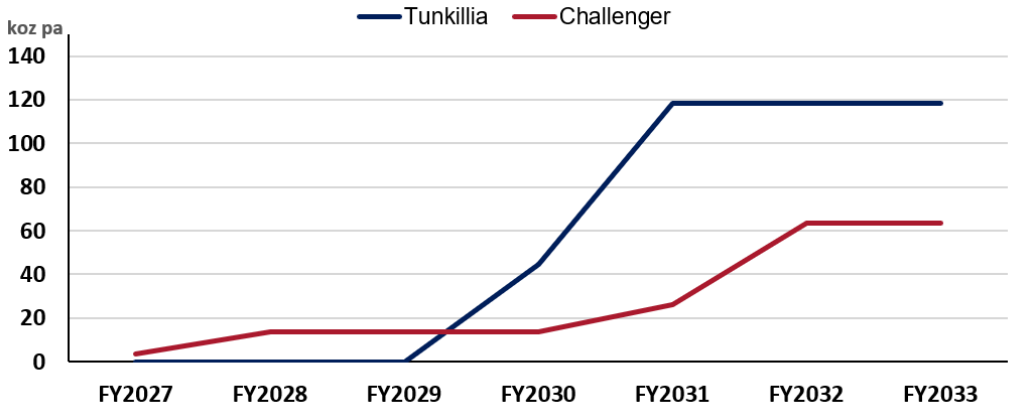
- Our valuation is based on the existing resource converted to a mining inventory, utilising approximately 50% of that resource and assuming a 7-year mine life as a result.
- The refurbishment of the mill has been estimated by BGD at A$26m. However, we have taken a more conservative outlook and taken into consideration that BGD has stated that it will look to improve camp facilities and surrounding infrastructure; we assume capex of A$50m as a result.
- Our valuation assumes that BGD retains 100% of the project and funds the development via a mix of 80% debt and 20% equity. We have assumed the equity raising to be at A$1.00 per share.
- BGD target that the DFS will be reported in early CY27. This will give us a far more detailed assessment of the project and allow more accurate modelling. We see strong potential for improvements to mine life, opex and capex, as well as the potential for further valuation upgrades.
- We have risked our valuation at a 90% probability.

**Tunkillia**

- Our valuation is based on the Optimised Scoping Study (OSS).
- Our valuation assumes that BGD retains 100% of the project and funds the development via cash flow and debt.
- We have risked our valuation at an 80% probability.

## Production forecasts

**Figure 10: MST production forecasts for BGD**

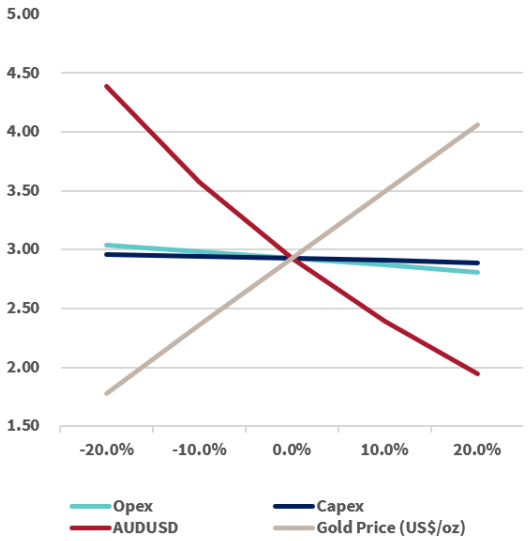



*Source: MST Access.*

## Sensitivity analysis

The key sensitivities for our valuation are shown in Figure 11, with the gold price and currency being the key drivers.

**Figure 11: Sensitivity analysis**




*Source: MST estimates.*

## Positive catalysts for share price/valuation

We believe that BGD has significant potential for further share price upside and capacity to move towards our valuation. Above that, further development of the projects and significant funding for them could potentially move the share price beyond our current valuation as the risks of the projects being delivered reduce. We highlight a number of key milestones/catalysts which may deliver share price upside over the near term and move the stock price towards our valuation.

### Gold and silver pricing

The gold (primarily) and silver (by-product) prices are key inputs to the revenue/AISC for the projects, and positive pricing is a strong driver of the stock price.

### CG Mill – DFS then progression towards first production

The CG Mill is the first project delivering production and cash flow for BGD. Key catalysts for the project will be completion of the DFS, funding, start of site works and first production.

### Tunkillia – working toward a PFS

Tunkillia is working towards a PFS in 1QFY27. The PFS will give details of key inputs such as capex, opex and production forecasts. There are a number of key catalysts leading to the delivery of the PFS, including an upgraded MRE, and the company plans to deliver a maiden reserve along with the PFS.

### Further exploration – all 4 assets

All of BGD's projects have exploration upside. There will be key drilling results over the next 6–12 months with particular focus on the ultra-high-grade Tolmer prospect. Further success would be positive for the share price.

### Funding

BGD may attract strategic interest, which may be in the form of direct project interest, equity participation or offtake funding, royalties or metals streaming agreements, in addition to project finance and equity finance. Delivery of funding solutions for projects is a major catalyst for the stock.

### Project execution

Final execution and delivery of production and cashflow act as major catalysts for project-based stocks such as BGD.

## Risks to share price and valuation

BGD's location in South Australia with beneficial access to existing critical infrastructure, as well as its tier-1 location and strong fundamentals, are all notable positives for the projects. We believe these factors partially offset the risk inherent to a mining development in general as well as project-specific risks which we identify below.

### Gold and silver price

BGD's primary revenue is from gold with secondary revenue from silver. Any movements in these commodity prices will have an impact on valuation and potential earnings. Investor sentiment remains the key risk to both gold and silver prices.

### Project development risks

BGD, like all mining developers, faces typical schedule and cost risks as it works to advance its project and transition into construction and production. This is particularly in focus during the construction and ramp-up phase which BGD will be approaching at the end of 2026.

### Funding

Funding remains a risk for BGD. BGD has ~A$23.2m cash at 30 September 2026, so is funded to advance the CG Mill to production and Tunkillia to PFS. The funding of the key projects remains a risk.

### Exploration success

BGD will continue to explore the projects. Adding scale to the existing resource base will require ongoing success with drilling. The work done to date is very encouraging; however, there is no guarantee ongoing exploration will be successful.

# Personal disclosures

Michael Bentley received assistance from the subject company or companies in preparing this research report. The company provided them with communication with senior management and information on the company and industry. As part of due diligence, they have independently and critically reviewed the assistance and information provided by the company to form the opinions expressed in this report. They have taken care to maintain honest and fair objectivity in writing this report and making the recommendation. Where MST Financial Services or its affiliates has been commissioned to prepare content and receives fees for its preparation, please note that NO part of the fee, compensation or employee remuneration paid has, or will, directly or indirectly impact the content provided in this report.

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The companies and securities mentioned in this report, include:

Barton Gold Holdings Ltd (BGD.AX) | Price A$0.73 | Valuation A$2.90;

*Price and valuation as at 03 November 2026 (* not covered)*

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