

McGILL MINING CIRCLE'S OPINION



ESGOLD

(CSE: ESAU, OTC: ESAUF, FSE: Z7D)

Monetizing legacy mine waste into gold, silver, and mica while advancing a cleaner, cash-generating mining model



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TABLE OF CONTENTS

01

What's the Story?

02

Fundamentals

03

Chart & Catalysts

04

Our View = Opinion & Risks

05

Conclusion

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ESGold (CSE: ESAU) – reprocessing tailings to yield near-term cash flow swiftly in a high gold price environment with a great exploration upside. The key asset, Montauban, is focused on repurposing tailings from historic mining sites to produce gold, silver, and mica starting late summer 2026. The proceeds will be used to fund exploration at Montuban with metal contained in the Surface Pillar currently estimated at 47,198 oz Au and 480,998 oz Ag.

What's the Story?

ESGold owns a 100% interest in the Montauban Property in southern Quebec, which encompasses several mining claims around 13000 hectares and includes historic mine tailings sites. The company's core bet is a low-capital "reclamation mining" strategy: reprocessing legacy tailings to recover gold, silver, and mica over a short 4-year mine life, generating early cash flow and yielding environmental benefits, thereby improving the social license to operate. The market may be undervaluing the project by not accounting for the gold price increases since the publication of the PEA, viewing it primarily as a short-term tailings operation and somewhat ignoring potential of underground resources that have not been explored yet in an up-to-date exploration program.

For the project to succeed, ESGold must refurbish and operate the mill within the estimated capital budget and achieve the projected recovery rates for gold and for silver. Additionally, successfully marketing the mica concentrate is crucial for a distinct revenue stream beyond precious metals.

Fundamentals

ESGold possesses a healthy management ownership at 10% with friends and affiliates ownership at a significant 50% (end of October 2025). Fully diluted shares total approximately 129,131,690, comprising 3,812,000 options (\$0.85 avg.) and 32,977,012 warrants (\$0.67 avg.).

Working capital in the quarter ending September 2025 is at \$8,515,616, up from \$2,877,564, driven by a cash increase of C\$8M from a private placement on September 18, 2025. They also have secured a C\$9M credit facility from Ocean Credit Partners UK Ltd. of which nil amounts have been drawn yet.

Given the operating expense of C\$1,248,865M, this provides the company with a healthy runway of about seven quarters (assuming no drawdown from the credit facility discussed above) to operationalize the tailings re-processing project to increase cash to fund operating activities.

The company has also increased its efforts in marketing the proposition to attract investors by increasing the marketing expenses more than fivefold compared to the previous year quarter.

Chart & Catalysts

As of **January 30, 2026**, the stock price broke the trend line representing the short-term downtrend on the weekly chart, but no retest appeared yet. This move occurred after the price fell below the **\$0.65** support level, reaching **\$0.60**, before recovering above it and currently holding around **\$0.75**. *Note that some McGill Mining Circle members had buy orders at \$0.65, which were filled.*

The key support and resistance levels identified for the short- and medium-term are **\$1.00**, **\$0.65**, **\$0.40**, and **\$0.095**. We view the \$0.40 level as a potential second buy entry should the price retrace to that area.

From a general historical perspective, the initial downtrend extended until

August 2023, after which the price moved sideways for more than a year, remaining confined within the **\$0.095–\$0.20 range**. Following this prolonged accumulation phase, the stock broke out in **October 2024** with a strong weekly candle accompanied by a clear spike in volume. Average volume has generally continued to increase since then. After a successful retest of the **\$0.20** level, a clear and healthy uptrend formed rapidly, resulting in a price increase of several hundred percent.

The current price action appears to represent the first major retracement within the uptrend. This correction could be explained by the fading of the initial excitement and profit-taking by investors who entered in **2024**. Nevertheless, volume remains at healthy levels and hints at great interest.



Our View = Opinion & Risks

ESGold is a milestone-driven junior where most of the value will come from execution instead of discovery. The tailings-to-production strategy gives the company a good shot at near-term cash flow. This might de-risk the story and even lead to a re-rating before the exploration upside is entirely priced in. In our opinion, in a space that is crowded with dilution-heavy drill stories, this approach is interesting since it starts with production... as long as the company delivers.

Investor Profile

This stock is great for investors who understand how juniors trade in the mining space and are comfortable with execution and ramp-up risk. We do not consider this a passive hold for now, but more of a situation where following the progress matters the most.

Risk-Reward

The risk-reward profile is considered medium risk, but we see a great asymmetry when it comes to the reward. If commissioning goes as planned and cash flow is established, the upside will be meaningful as perceived risk should be decreasing. On the other hand, delays or operational issues might be punished quickly by the market.

Risks

- The main risk we recognize is the commissioning and early operations. Recoveries, throughput, costs, and how different the results are to expectations will be crucial.
- Another smaller risk we notice is funding. Even with funding visibility, junior miners are sensitive to timeline slippage, which can lead to more financing or dilution risk. We do not expect any issues with this, but the risk still exists.
- We do not see commodity prices as a risk in the short term for ESGold.

Conclusion

ESGold presents an unusual junior mining story focused on near-term execution using tailings reprocessing. This also comes with longer-term exploration upside on top of it. The upside is linked to successful commissioning and the transition to an early cash flow. Note that timing is linked to upcoming operational milestones, making progress and delivery more important than narrative alone. ESGold is great for mining investors who are comfortable tracking execution risk in hopes of asymmetric returns.