

STIFEL

December 2, 2025

Arizona Metals Corp. (AMC CN) | C\$0.60 | Buy

Sugarloaf Peak Drilling Highlights Downside Protection

Summary

Impact: Neutral. AMC has released inaugural drilling results from the 2025 RC program at Sugarloaf Peak, showcasing significant early scale potential from the initial nine holes released, highlighted by SP-25-09 cutting 195.1m @ 0.31g/t Au. Based off results thus far, we see potential for +1MMoz Au but would note the i) thin oxide cap and ii) wt. average grade of 0.31g/t Au released today mean scale is paramount for value creation. We think today's drilling, which very crudely outlines ~1.2MMoz Au ($900m \times 800m \times 100m \times 2.7g/cm^3 @ 0.31g/t Au @ 60\%$ conversion), provides significant downside protection for AMC shares. Using a \$30/oz multiple, we see ~C\$48MM in value from today's drilling, which compares to AMC's current EV of C\$61MM.

What's New?

- AMC has released the first round of drilling results from the 2025 RC program on the 100% owned Sugarloaf Peak Project in Arizona. Nine holes were released, with highlight hole SP-25-09 cutting 195.1m @ 0.31g/t Au, including 25.9m @ 0.61g/t Au. Recall, Sugarloaf Peak is located in La Paz County, on 4,400 acres of BLM claims, with a historic, non NI 43-101 compliant resource estimate of 1.5MMoz @ 0.5g/t Au reported by Westworld in Resources in 1983.

Implications

- **First nine holes show impressive scale.** With the first batch of nine holes at Sugarloaf Peak, AMC has confirmed mineralization along 900m strike and 800m in width. With mineralization intercepted from surface and extended at a depth below previous drilling by 45-75m, utilizing a 100m average depth, we see potential for +1MMoz Au off of current scope of drilling, intimating impressive early scale potential of Sugarloaf Peak. ***We would however note i) the depth of the oxide cap (<20m drilled from surface thus far) and weighted average grade of 0.31g/t Au (combined oxide/sulphide) mean scale is paramount for surfacing value from the asset.*** To this end, we see i) strike extension by way of mag/IP anomalies potentially increasing near

surface oxide inventory, alongside ii) further depth extension, where prior AMC drilling intercepted sulphide gold below 500m depth. Initial metallurgical testing completed in 2021 and 2023 has indicated relatively soft material (7.8kWh/t work index), majority of gold within sulphides is free gold and oxide/sulphide recoveries of up to 95%/85%, respectively.

- **Sugarloaf drilling highlights inexpensive valuation.** While we formally value Sugarloaf at C\$84.5MM (2MMoz @ \$30/oz) we think today's drilling, which very crudely outlines ~1.2MMoz Au (900m x 800m x 100m x 2.7g/cm³ @ 0.31g/t Au @ 60% conversion), provides significant downside protection for AMC shares. Using a \$30/oz multiple, we see ~C\$48MM in value from today's drilling, which compares to AMC's current EV of C\$61MM.

What's Next?

- Up next, we expect further Sugarloaf Peak results from the remaining 16 holes yet to be released to market, as total drilling on the project has comprised 5.2km for 25 RC holes. Further, we expect an inaugural PEA on Kay in January.

Valuation. AMC currently trades at 0.14x spot P/NAV versus peers at 0.40x.