FIRST NORDIC METALS (TSX:FNM)

FLASH NOTE

RATING:	**BUY**
TARGET:	**$1.08**
POTENTIAL RETURN:	**177%**

Distributed on behalf of First Nordic Metals

MERGER WITH MAWSON FINLAND LIMITED

First Nordic Metals announced a definitive arrangement to acquire all the issued and outstanding common shares of Mawson Limited and will form a new company "NordCo".

The Transaction will consolidate a large and prospective gold development and exploration portfolio in Sweden and Finland and two development stage projects with combined M&II resources of more than 2.4m oz AuEq.

BOTTOM LINE

We like this merger from both a valuation and strategic perspective and believe it benefits First Nordic Shareholders for a few reasons.

- Deal is accretive to First Nordic shareholders on an EV/oz basis with Mawson trading at US$49/oz AuEq vs. First Nordic at US$68/oz AuEq. First Nordic also trades at a price to net asset value 50% higher than Mawson pre-deal announcement.
- First Nordic is now a multi-asset Nordic developer and explorer enhancing optionality and making itself more attractive to a potential acquirer.
- Concurrent financing of C$30M will fully cover aggressive exploration and definition drilling programs in Sweden and Finland. Recent exploration results show promising potential for resource growth through the drill-bit over the next 12 months.
- Increases the likelihood that First Nordic will obtain majority ownership of Barsele, pushing total resource above 4M oz AuEq. We believe Agnico will view increased ownership in the new entity more favorably, increases the chances NordCo can negotiate majority control.

KEY STATISTICS
Market Cap (C$M): 152M
Enterprise Value (C$M): 134M
Common Shares (M): 275M
Diluted Shares (M): 390M
Inst. Ownership (%): 43%
Avg Volume (30 Days): 700k shares

RESOURCE
M&I Resource: 324koz Au
Inferred Resource: 2.1moz Au
Historical Resource: 311koz AuEq

VALUATION
NPVPS: $1.17
P/NPV: 0.33x
EV/oz (M&II C$/oz): $56

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Disclosures & Analyst Certifications appear on last 2 pages.

Deal Terms

Pursuant to the terms and conditions of the Arrangement Agreement, the holders of the issued and outstanding Mawson Shares will receive 1.7884 (or 7.1534 on a pre-Consolidation basis) common shares in the capital of NordCo Gold (the "NordCo Gold Shares") for each one (1) Mawson Share (the "Exchange Ratio") held immediately prior to closing of the Transaction, which exchange will occur on a post-Consolidation basis following a consolidation of the common shares of First Nordic on the basis of four (4) pre-consolidation shares for each one (1) post-consolidation share (the "Consolidation").

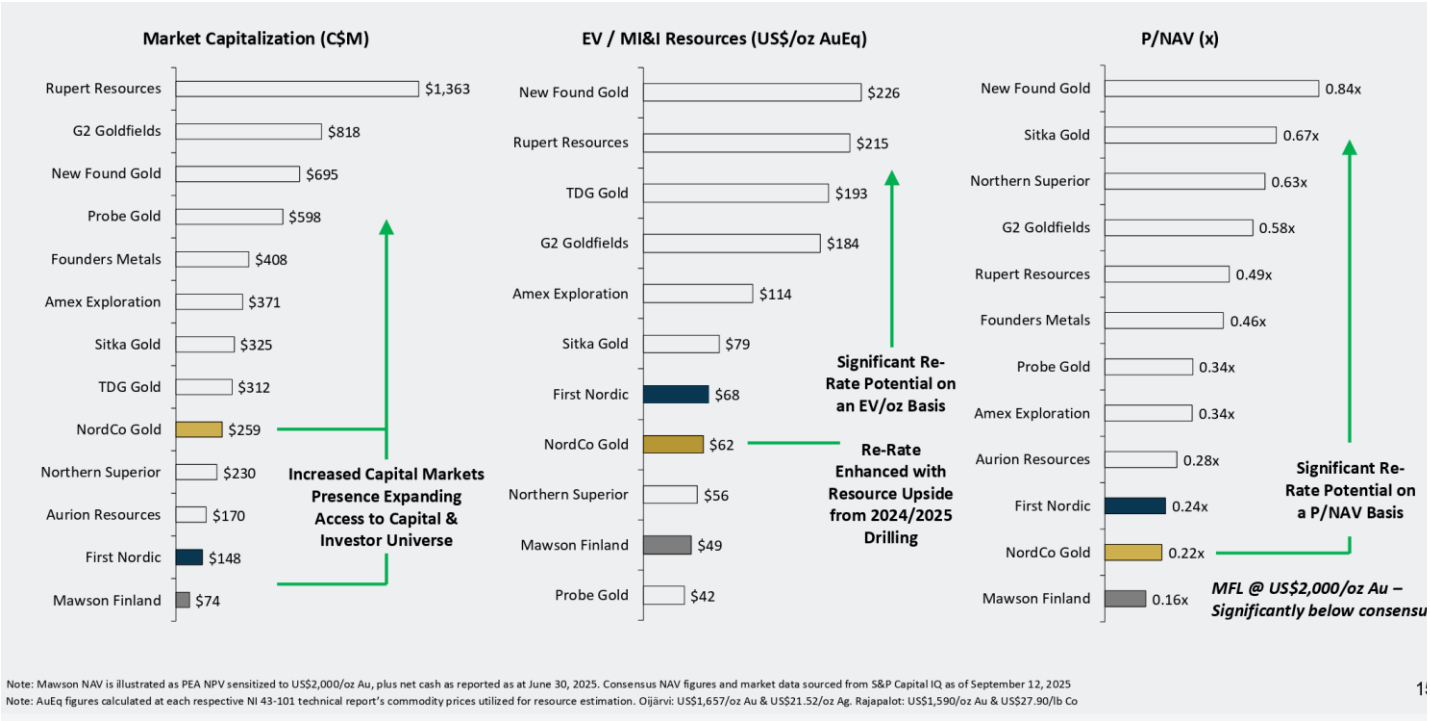
Prior to the Transaction and Consolidation and as of the date hereof, First Nordic has 318,228,805 basic shares outstanding, consolidating to approximately 79.6 million basic shares following the Consolidation, and following Transaction and Concurrent Private Placement, NordCo Gold is expected to have approximately 139.1 million basic shares outstanding.

First Nordic Shareholders will own 67% of the combined company pre-financing.

We like the deal from a strategic and valuation perspective. First Nordic trades at a premium to Mawson on both an EV/oz basis and price to net asset value making this deal accretive to First Nordic Shareholders.

With C$50 million of cash, post a successful capital raise, NordCo will have the next 12 months of drilling fully funded. With strong recent drill results at FNM's Aida target in Sweden, the combined entity will likely see good resource growth from both exploration and definition drilling.

Pro-Forma Positioning



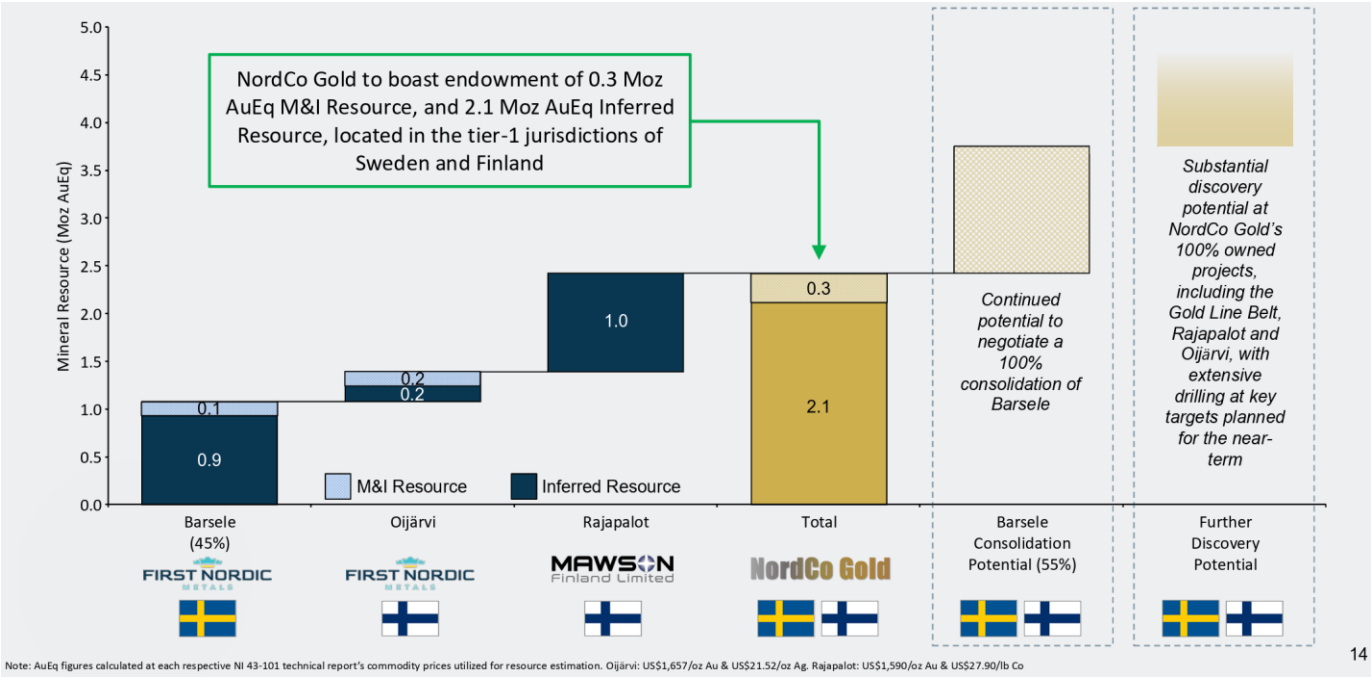
Note: Mawson NAV is illustrated as PEA NPV sensitized to US$2,000/oz Au, plus net cash as reported as at June 30, 2025. Consensus NAV figures and market data sourced from S&P Capital IQ as of September 12, 2025
Note: AuEq figures calculated at each respective NI 43-101 technical report's commodity prices utilized for resource estimation. Oijärvi: US$1,657/oz Au & US$21.52/oz Ag. Rajapalot: US$1,590/oz Au & US$27.90/lb Co

Source: First Nordic Metals

The deal also makes sense from a strategic perspective. Nordco will now be a multi-development asset company, making it more attractive to a larger acquirer. The new asset base also makes the company more attractive to JV partner Agnico in our view, who may be more open to giving up majority ownership of the Barsele project in exchange for greater ownership in NordCo in our opinion.

First Nordic released a useful visual showing how the company has a credible path to 4M oz of gold resource excluding any future exploration success. If NordCo can eventually reach 5M ounces they will be in the sweetspot for what gold majors are looking for. The rule of thumb is a resource that can support 500,000 ounces of production over a 10 year mine life.

Resource Potential from NordCo (New Entity)



Source: First Nordic Metals

Improved Access to Capital Increases Re-rating Potential

We don't think investors should underestimate the importance of access to capital in the mining space. Many times we see two companies with similar resources, but very different stock market values and the only explanation is superior access to capital for one company vs another.

With First Nordic shareholders now owning a company with a fully funded drill program, run by an even more high-profile board and management team and with enhanced trading liquidity and access to funding, we think a rerating of the stock is likely, regardless of resource growth.

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