Cashu Research

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ASX: MHC | OTC: MHTZF RESEARCH UPDATE

Manhattan Gold

Eight for Eight: Maiden Drilling Delivers a Broad, High-Grade Gold System at Jaws

* Target maintained at A$0.082; the upside case now sits higher.

RATING
SPEC. BUY
reiterated

PRICE TARGET
A$0.082*
~204% upside

WHAT CHANGED

We initiated coverage of Manhattan Gold on 24 June 2026 with a Speculative Buy rating and a 12-month target of A$0.082. That thesis rested on one unproven pillar: whether modern drilling could validate a historical, non-JORC estimate of ~3.39Mt @ 2.38g/t Au for ~285koz at Jaws, defined largely by 1976–1988 work. The Company has now reported eight holes from its maiden reverse circulation programme, across announcements on 20 and 26 August. **Every one of the eight intersected gold, and the best of them came in at roughly twice the historic average grade.** This is about as clean a validation outcome as a maiden programme can produce.

The first batch was headlined by JWS26006b: a standout 41.15m @ 4.66g/t Au from 83.82m, including 7.62m @ 18.67g/t Au. The second batch confirmed it was no outlier, adding JWS26005 at 25.90m @ 1.59g/t Au including 6.10m @ 3.62g/t, JWS26004 at 35.05m @ 1.23g/t including 9.14m @ 2.52g/t, JWS26006 at 22.86m @ 2.37g/t including 1.52m @ 26.8g/t, and multiple intervals of gold mineralisation in JWS26003b. Mineralisation is now drilled over a 220m northeast–southwest strike and remains open in both directions and at depth. Twelve further holes are at the laboratory.

OUR READ

01 **Validation risk is retired, on distinctly better terms than we underwrote.** We asked whether a mineralised system existed roughly where the paper plans said it did. It does, and it is richer: JWS26006b returned 4.66g/t over 41.15m, close to double the average grade of the historical estimate, with 7.62m at 18.67g/t inside it. That is the first modern evidence that Jaws carries genuinely high-grade cores rather than a uniform low-grade envelope, and high-grade cores are what make a deposit of this size economically interesting.

02 **Continuity, not a single lucky hole.** The second batch is the more important of the two. Four holes at different positions on the structure, JWS26003b over 92m along strike from JWS26002, JWS26005 over 150m southwest of it, JWS26004 and JWS26006 testing the shear zone and its footwall between them, all returned broad gold with higher-grade internal cores. Four holes at four positions, four hits. That is what continuity across 220m of strike looks like at this stage of drilling, and it is the difference between a good intercept and a deposit taking shape.

03 **The price has not followed the risk, and that is the opportunity.** MHC closed at A$0.027 on 27 August, against A$0.023 at our June initiation, for a market capitalisation of A$18.6m. Two announcements of high-grade gold in seven days have moved the stock less than half a cent, leaving a company with a drilled, continuous, above-grade gold system priced almost exactly where it sat when Hook Lake had no modern drilling at all. We hold our target today rather than chase the news. See page 3.

8 / 8 reported holes carrying gold	**220m** strike drilled, open both ways	**12** holes still at the laboratory	**4.66**g/t over 41.15m, vs 2.38g/t historic

BEYOND JAWS

Jaws is the validated asset, but four of the twelve pending holes sit outside it entirely, and each carries genuine discovery potential. Three test Spectre, a polymetallic VMS target where shallow 1974 drilling returned 10.51m @ 2.91% Cu, 6.70% Zn and 95.67g/t Ag from 41.76m. The fourth is the first drillhole ever put into Lotus, a Jaws-style target that returned 8.01g/t Au from 2025 surface sampling.

SNAPSHOT

Last close, 27 Aug	A$0.027
Price target	A$0.082*
Implied upside	~204%
Market cap	A$18.6m
Cash, 30 Jun 26	A$2.01m
Enterprise value	~A$16.6m
EV / hist. oz	~A$58/oz
Holes reported	8 of 8 in Au
Holes pending	12
Risk	High

ASX: MHC **A$0.027**

12M · CLOSE 27 AUG 26 +17% since initiation

Reconstructed daily closes to published anchor points. Indicative.

At A$0.027 the stock trades 17% above the A$0.023 at our June initiation, when Hook Lake had no modern drilling at all. Since then the programme has passed 3,000m, eight of eight holes have returned gold and the Jaws model has been materially upgraded. The share price has captured almost none of it.

NEXT CATALYSTS

JWS26008 assay, drilled below all historic drilling at Jaws	near term
Three holes at Spectre, first modern VMS drilling	pending
Maiden drillhole at Lotus, never previously drill tested	pending
Regional till sampling, Vesper to Omega and Moonraker	commenced
Potential maiden JORC resource work at Jaws	2027E (Cashu)

Maiden RC Drilling at Jaws: The Results

Eight holes reported across the 20 and 26 August announcements. Selected significant intercepts, reported as downhole lengths.

HOLE	INTERVAL	WIDTH	G/T AU
JWS26006b	from 83.82m, main shear zone	41.15	4.66
	incl. from 85.34m	7.62	18.67
	incl. from 86.87m	1.52	33.40
	incl. from 89.92m	1.52	41.00
JWS26006	from 74.68m, above JWS26006b	22.86	2.37
	incl. from 94.49m	1.52	26.80
JWS26005	from 89.92m, over 150m SW of JWS26002	25.90	1.59
	incl. from 96.01m	6.10	3.62
	from 182.88m, footwall vein below historic drilling	3.05	2.07
JWS26004	from 124.97m, drilled perpendicular	35.05	1.23
	incl. from 144.78m	9.14	2.52
	from 216.41m, down-dip footwall continuation	6.09	0.93
JWS26003b	from 115.82m, stacked vein package	12.20	1.54
	incl. from 120.40m	3.04	4.98
	from 35.05m, near surface, incl. 1.53m @ 3.89g/t	16.77	1.33
	from 164.59m, below the historic results	15.24	0.68
JWS26001	from 38.10m, drilled partly down-dip	79.25	0.78
	incl.	33.53	1.04
JWS26002	from 153.92m, historic footwall vein	9.15	1.99
JWS26003	from 35.05m, near surface	9.15	1.73
133-88-20	historic 1988 hole nearest JWS26006b, from 100m	22.00	2.41
133-88-22	historic 1988 hole nearest JWS26003b, from 96.0m	3.20	2.44

Source: Manhattan Gold ASX announcements, 20 August 2026 and 26 August 2026, Table 1 in each. Significant intercepts defined as >0.1g/t Au with no more than 4.56m internal dilution; simple length-weighted averages, minimum sample length 1.52m, no top-cutting applied. Reported intervals are drilled lengths, not true thicknesses. Historic intercepts are as cited by the Company from its 12 and 27 May 2025 releases. Two sub-0.3g/t JWS26003b intervals are not shown.

STRIKE NOW DRILLED

220m NE–SW

Eight reported holes, all mineralised. JWS26005 extended confirmed drilling 154m southwest. The system remains open along strike and at depth.

PROGRAMME TO DATE

Holes reported	8
Holes with gold	8 of 8
Holes pending assay	12
RC metres drilled	>3,000m
Pending at Spectre	3 holes
Pending at Lotus	1 hole

HISTORICAL BENCHMARK

Jaws historical (non-JORC) estimate: **~3.39Mt @ 2.38g/t Au** for ~285koz, from 1990 work on drilling to 1988. JWS26006b returned **4.66g/t** over 41.15m, roughly twice that average grade.

WHAT THE EIGHT HOLES ESTABLISH

Geometry is the quiet upgrade. The 1988 holes were drilled down-dip, inflating apparent width and diluting grade. JWS26004 and JWS26005 were drilled southeast, across the interpreted northwest dip, and returned 35.05m and 25.90m at higher grade than the nearest legacy holes. Intervals closer to true thickness that are also thicker and richer than the historic record imply the 1988 programme was systematically undercounting the system that underpins the 285koz estimate.

Stacked veins were being missed. JWS26003b confirmed a series of stacked quartz veins through the main shear zone over 92m along strike from JWS26002. Holes drilled down-dip could pass through one vein and never see the others.

Depth is still open. JWS26005 returned 3.05m @ 2.07g/t from 182.88m and JWS26004 6.09m @ 0.93g/t from 216.41m, both below the footwall veining defined historically. JWS26006b ended in mineralisation at 199.64m. JWS26008, drilled below the entire historic footprint, is at the laboratory.

The qualifications that remain. All widths are downhole and no true thicknesses are reported. JWS26001 was drilled partly down-dip and its 79.25m is not a thickness. Shoot geometry is interpreted, not demonstrated. There is no JORC- or NI 43-101-compliant resource at Hook Lake, and none of this drilling creates one.

What has changed is that the existence and continuity of the system are no longer the open questions. Scale is.

Valuation: Same Target, Materially Less Risk

Hook Lake still hosts no JORC- or NI 43-101-compliant resource, so we retain the discovery-optionality framework from our initiation rather than implying DCF precision. Hypothetical discovery scale is unchanged. We have re-anchored the gold price ladder to spot of ~US$4,500/oz, against the ~US$4,200/oz used at initiation in June, and set the base-case risked benchmark at A$55/oz.

SCENARIO	GOLD PRICE	HYP. DISCOVERY	RISKED EV/OZ	IMPLIED EV	VALUE/SHARE
Bear	US$4,000/oz	0.5Moz	A$25/oz	A$12.5m	**~A$0.021**
Base	US$4,500/oz (spot)	1.0Moz	A$55/oz	A$55.0m	**~A$0.082**
Bull	US$5,000/oz	2.0Moz	A$80/oz	A$160.0m	**~A$0.235**
Blue sky	US$5,500/oz	3.5Moz	A$100/oz	A$350.0m	**~A$0.510**

Source: Cashu Research analysis. Illustrative only and not a forecast. Gold price ladder re-anchored to spot of ~US$4,500/oz as at 27 August 2026. Base-case risked EV/oz set at A$55/oz, against A$50/oz at our 24 June 2026 initiation, which holds the implied base-case value at our existing target after the increase in shares on issue; hypothetical discovery scale is unchanged. Implied value per share adds back A$2.008m cash and divides by 690.45m shares on issue as at 30 June 2026; it makes no adjustment for future dilution, which we regard as likely. EV/oz benchmarks reference peer trading bands. These are analytical assumptions, not market facts.

WHERE WE SIT ON GOLD

We are bullish. Spot has recovered to ~US$4,500/oz and we expect gold to finish 2026 close to or above US$5,000/oz, with the major houses clustered at US$5,000–5,600 for 2027. Our base case is deliberately anchored to spot rather than to our own forecast. If we are right on gold, the base case is anchored ~10% low.

BASE CASE SENSITIVITY TO RISKED EV/OZ, 1.0MOZ HELD CONSTANT

A$55/oz	A$60/oz	A$70/oz	A$80/oz
A$0.082	**A$0.090**	**A$0.104**	**A$0.119**

A$55/oz sits mid-band for resource-stage explorers and is where our target is struck. A compliant resource, or gold above US$5,000/oz, would justify the upper columns without assuming a larger discovery.

Speculative Buy reiterated, A$0.082 target maintained

We reiterate our Speculative Buy rating and maintain our 12-month price target of A$0.082, ~204% above the last close of A$0.027. The target is unchanged; the risk sitting behind it is not, and the strip above shows what a higher per-ounce benchmark is worth without assuming a larger discovery.

At initiation, every scenario above was contingent on a prior question: whether a mineralised system existed at Jaws at all, or whether the historical estimate was an artefact of sparse 1980s drilling. Eight holes have answered it. The remaining uncertainty is scale, which is the variable the table already sets out. We regard the distribution as having tightened around its middle rather than widened.

The path to a higher target. We would expect to raise our target on evidence of scale rather than repetition of grade. Three things would do it: assays from JWS26008 and the deeper holes demonstrating the system continues below the historic footprint; first results from Spectre and Lotus establishing a second and third value stream independent of Jaws; and a credible line of sight to a maiden JORC resource, which we would expect to be the event that forces the market to price Hook Lake on inventory rather than on optionality. Twelve holes are at the laboratory now, four of them at targets other than Jaws. A gold price sustained above US$5,000/oz would lift the per-ounce benchmark independently of any of it.

On enterprise value per documented historical ounce, MHC trades at ~A$58/oz against ~A$39/oz at our initiation, using A$18.6m market capitalisation less A$2.008m cash at 30 June 2026. Resource-stage explorers in the region trade at roughly A$30–80/oz on compliant inferred inventory, and advanced developers at A$80–150/oz. MHC is still being priced as a pre-resource explorer holding a paper estimate, not as one holding a drilled, continuous and above-grade gold system.

Our conclusion from June stands with one clause removed. We wrote then that the market may begin to value Hook Lake less as a historical reactivation story and more as an emerging district-scale gold system, conditional on drill validation. The validation has arrived. The re-rating has not.

RECOMMENDATION

Rating	Speculative Buy
Change	Reiterated
Target	A$0.082
Implied upside	~204%
Last close	A$0.027
Horizon	12 months
Risk	High

RISKS RETIRED SINCE INITIATION

Validation. Whether Jaws hosts a real mineralised system. Answered by eight of eight holes in gold.

Grade. Whether modern assays would come in below the historical 2.38g/t average. They have not.

Spatial control. Whether legacy collars could be trusted. Modern surveying has repositioned the shear zone and improved targeting.

RISKS THAT REMAIN

The 285koz Jaws figure is still a historical, non-JORC estimate; this drilling validates the system, not the inventory, and there is no assurance a compliant resource will follow. All reported widths are downhole, not true thicknesses. Dilution and financing risk on an active Arctic drill programme, assay turnaround, metallurgical uncertainty across three mineralisation styles, permitting and social-licence continuity, and gold price exposure at record nominal levels all remain live. See our 24 June 2026 initiation for the full risk discussion.

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REFERENCES

MHC ASX, 26 August 2026 — "Manhattan Returns More High-Grade Gold Intercepts at the Broad Mineralised System Jaws" (Tables 1 and 2; JORC 2012 Table 1).

MHC ASX, 20 August 2026 — "First Drill Results Demonstrate Scale and Grade at Jaws: 41.15m at 4.66g/t Gold" (Table 1; JORC 2012 Table 1).

MHC ASX, 27 May 2025 — "High Grade Gold & Copper Acquisition – Amended", and 12 May 2025 — "High Grade Gold and Copper Acquisition" (historical Jaws estimate, historic drillholes and Spectre 1974 results).

MHC ASX, 3 November 2025 — "Up to 16.75g/t Gold and 2,660g/t Silver Sampled at Untested Targets of the Hook Lake Project" (2025 surface sampling at untested targets, including Lotus and Quantum).

Cashu Research, 24 June 2026 — "Manhattan Gold Corporation: A high-grade gold and polymetallic/VMS district-scale exploration opportunity in a tier-one jurisdiction" (initiation of coverage; valuation framework and peer benchmarks).

Derry, Michener, Booth & Wahl (1990) — historical Jaws estimate, cited via MHC. Reported by the Company as a foreign estimate not reported in accordance with the JORC Code 2012.

Market data: last close A$0.027 and market capitalisation A$18.6m as at 27 August 2026; 690.45m shares on issue and cash of A$2.008m as at 30 June 2026 per the Company's quarterly reporting. Gold spot ~US$4,500/oz as at 27 August 2026; 2027 house forecasts referenced are those published by Morgan Stanley, UBS, J.P. Morgan, Goldman Sachs and Standard Chartered.