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Initiation Report

Forge Resources – Anchored in Coal, Leveraged to Discovery

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Rating	Target Price
BUY	**$1.00**
Initiating	*Initiating*

July 16, 2025

Disseminated on Behalf of Forge Resources

All figures in CAD unless otherwise stated

Forge Resources Corp.	**FRG:CSE**
Rating	BUY
Target Price	$1.00
Return to Target	89%

Market Data	
Share Price	$0.53
Average Daily Volume (K)	119.7
FD ITM Shares (M)	102.7
Market Cap ($M)	$54.4
Cash ($M)	$2.5
Debt ($M)	$0.6
Enterprise Value ($M)	$52.5

FYE Dec 31	**2026E**	**2027E**	**2028E**
Material Processed (tons)	58.0	200.0	280.0
Revenue ($M)	$10.8	$40.9	$57.2
Gross Profit ($M)	$8.2	$32.1	$44.9
EBITDA ($M)	$4.4	$20.1	$28.7
FCFF ($M)	$0.4	$16.1	$24.7

Valuation	**2026E**	**2027E**	**2028E**
EV/EBITDA	11.9x	2.6x	1.8x
FCF Yield	1%	31%	47%

Please refer to the applicable disclosures on the back page
Source: Atrium Research, CapitalIQ, Company Documents

Forge Resources Corp. is a Canadian junior mining company advancing a dual-asset portfolio with exposure to near-term coal production and copper-gold exploration. The Company holds an 80% interest in the fully permitted La Estrella Project in Colombia, a metallurgical and thermal coal asset targeting bulk sampling and scalable output. Forge also owns the Alotta Project in Yukon's Dawson Range, a copper-gold porphyry target located near the world-class Casino deposit.

What you need to know:

- Forge Resources owns 80% of the fully permitted La Estrella coal project in Colombia. Extraction will start as early as January 2026 with a 20,000 ton bulk sample and ramp significantly after that.
- The Alotta copper-gold project in Yukon is an early-stage asset 40km from the world-class Casino deposit. FRG looks to take advantage of rising gold and copper prices as it currently explores the property.
- FRG trades at just 2.6x 2027E EBITDA.

Forge Resources Corp. (FRG:CSE, FRGGF:OTC) is a Canadian junior mining company advancing a dual-asset strategy focused on near-term cash flow from coal production and upside from copper-gold exploration. The Company holds an 80% interest in the fully permitted La Estrella Project, a high-quality underground coal operation in Colombia with immediate development potential and strong LOI-based offtake demand. In parallel, Forge is developing the Alotta Project in Yukon's Dawson Range, located near Western Copper and Gold's world-class Casino Deposit. **We are initiating coverage on Forge Resources with a BUY rating and a target price of $1.00/share.**

Investment Thesis Summary

Near-Term Cash Flow. The La Estrella Project is a fully permitted metallurgical and thermal coal project in Santander, Colombia. FRG plans to extract a 20,000 ton bulk sample starting in Q4/25, generating initial revenue ahead of a commercial ramp-up to the permitted 180,000 metric tons per year. While current coal prices are relatively low, the Company has executed LOIs for 100% of initial output, de-risking the early cash flow profile and creating a path to self-funded growth.

Scalable Underground Development. The decline at La Estrella is progressing steadily, offering underground access to six stacked coal seams while avoiding open-pit mining, an approach better aligned with Colombia's ESG and permitting landscape. The project benefits from a long mine life (42+ years), modular development strategy, and strong surface infrastructure already in place.

Emerging Copper-Gold Discovery. The Alotta Project is a copper-gold asset located 40km from the Casino deposit in Yukon's Dawson Range. Drill holes in 2023 confirmed broad porphyry-style mineralization, including 0.46 g/t Au and 191 ppm Cu over 211.6m, with follow-up work defining a 4.0km x 1.0km target corridor. The 2025 exploration program is currently underway at the project.

High Insider Ownership. Management and insiders collectively own 17% of FRG, underscoring alignment with shareholders. Oversight is provided by an advisory team experienced in capital markets, mine development, and M&A.

High-Quality, Dual-Market Coal. La Estrella hosts high-volatile metallurgical coal and high-BTU thermal coal (+11,800 BTU), positioning Forge to serve steelmaking and industrial energy markets.

Discounted Valuation. Based on our model, FRG trades at 2.6x 2027E EBITDA, and we expect the multiple to expand as management executes on its extraction plans and begins generating cash flow.

Catalysts

- Initial Coal Extraction from La Estrella Bulk Sample – 2025
- 2025 Drill Program at Alotta Project - Ongoing

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Investment Thesis

We are initiating coverage on Forge Resources Corp. (FRG:CSE) with a BUY rating and a target price of $1.00/share. Forge is a coal and copper-focused development company advancing two assets in strategically significant mining jurisdictions, Colombia and Yukon, Canada. Its flagship asset, La Estrella, is a near-surface, advanced-stage coal project offering premium-grade metallurgical and thermal coal, ideally suited for export to different regions as the Americas, Europe and Asia. The Company also holds the Alotta copper-gold project in Yukon, a greenfield exploration project adjacent to Western Copper & Gold's Casino deposit. With a clean capital structure, no debt, and clear extraction visibility at La Estrella, Forge looks to grow organically through cash flows in a space with few peers.

La Estrella – Colombia

The La Estrella Project (80% owned) is located in Santander, Colombia, near key regional transport and energy infrastructure. The project hosts near-surface, shallow-dipping coal seams that can be mined by underground methods. With an existing mining license and permits in place for both bulk sampling and commercial extraction, La Estrella is fully positioned to transition from a pre-production asset into a revenue-generating operation. Forge's development strategy is rooted in a phased approach, starting with a 20,000 ton bulk sample (expected to start in December 2025), followed by a ramp-up to commercial production at a permitted run rate of 180,000 tons per year (this is expected to grow further). By initiating low-capex, high-margin extraction and scaling into production organically, the Company aims to minimize dilution while monetizing its asset base early.

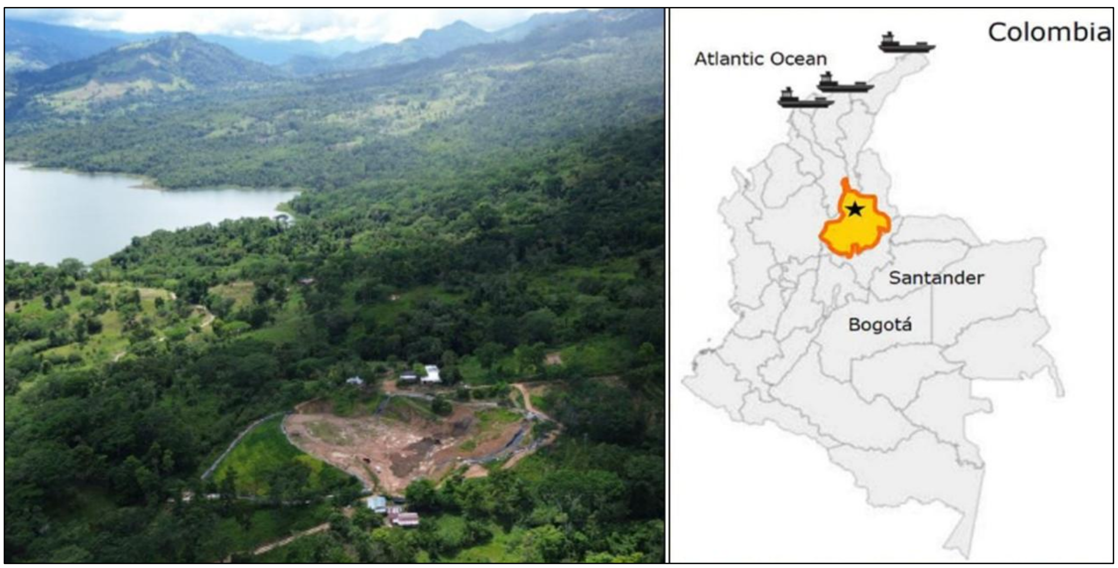

Figure 1: Estrella Project (Source: Company Documents)

Resource & Coal Quality

The La Estrella coal deposit contains a near-surface historical resource of ~6.2M metric tons of Measured and Indicated resources, alongside 16.5M metric tons in the Inferred category. The deposit hosts both thermal coal, used in power generation, and metallurgical coal, used in steelmaking, an advantageous combination that broadens the Company's market exposure. Importantly, the seams dip and project to surface, allowing for well-known underground coal extraction methods and high recovery in early-stage mining.

Coal quality is a core determinant of a coal project's marketability and pricing potential. Independent testing at La Estrella has confirmed that thermal seams consistently return calorific values exceeding 12,500 BTU/lb (dry basis), placing them firmly within the premium category of export-grade thermal coal. These seams also exhibit low sulphur content, averaging approximately 1.6%, which meets international environmental and product specification standards for seaborne coal. In metallurgical zones, Forge has reported coal with volatile matter of ~34% and fixed carbon of ~48%, specifications that align with "high-volatile A" coking coal, a highly demanded grade in steelmaking due to its optimal blend of reactivity and fluidity. This quality profile materially enhances La Estrella's commercial positioning. The high-energy, low-impurity thermal coal supports premium pricing and global utility demand, while high-volatile met coal opens access to the structurally undersupplied global steel market.

Development & Future Production

Forge's development plan at La Estrella is structured around a low-capex, staged approach designed to quickly establish revenue while minimizing dilution. The Company is fully permitted for a 20,000 metric ton bulk sample and has already constructed a single decline to access the main coal seam. This decline will provide access to the majority of the historical resource, enabling selective extraction and operational testing ahead of full-scale production. The Company expects initial bulk sample extraction to begin in Q4/25, with first shipments and revenues anticipated by early Q1/26. The bulk sample will serve to validate coal quality, confirm buyer specifications, and demonstrate Forge's ability to operate within planned cost parameters, all critical steps in de-risking the project ahead of commercial ramp-up.

Our financial model for La Estrella can be found below. Our model assumes that production starts with the 20,000 metric ton bulk sample in December 2025, which would be completed in Q2/26. Production then scales upward sequentially in 2026 and expands to 200,000 tons in 2027 and 280,000 tons in 2028. We assume a $187 per metric ton selling price in 2025 and 2026, as the bulk of the initial exploitation will start in seam M200, which has thermal coal qualities. However, in late 2026, FRG will begin exploiting other seams that have demonstrated Coking Coal qualities, and thus, we raise the average sale price to $204 per metric ton.

	Q4/25E	2025E	Q1/26E	Q2/26E	Q3/26E	Q4/26E	2026E	2027E	2028E
Material Processed (ton)	500	500	1,000	13,000	19,000	25,000	58,000	200,000	280,000
Revenue/ton	187	187	187	187	187	187	187	204	204
Revenue ($M)	**0.1**	**0.1**	**0.2**	**2.4**	**3.6**	**4.7**	**10.8**	**40.9**	**57.2**
Production Cost/ton	46	46	46	46	46	46	46	44	44
COGS ($M)	0.0	0.0	0.0	0.6	0.9	1.2	2.7	8.8	12.3
Gross Profit ($M)	**0.1**	**0.1**	**0.1**	**1.8**	**2.7**	**3.5**	**8.2**	**32.1**	**44.9**
Gross Margin (%)	*75%*	*75%*	*75%*	*75%*	*75%*	*75%*	*75%*	*78%*	*78%*
Full FOB Cost/ton	111	111	111	111	111	111	111	104	102
Operating Costs/ton	65	65	65	65	65	65	65	60	58
Total Costs ($M)	**0.0**	**0.0**	**0.1**	**0.8**	**1.2**	**1.6**	**3.8**	**12.0**	**16.2**
EBITDA ($M)	**0.0**	**0.0**	**0.1**	**1.0**	**1.4**	**1.9**	**4.4**	**20.1**	**28.7**
EBITDA Margin (%)	*41%*	*41%*	*41%*	*41%*	*41%*	*41%*	*41%*	*49%*	*50%*
Capex ($M)	**1.0**	**1.0**	**1.0**	**1.0**	**1.0**	**1.0**	**4.0**	**4.0**	**4.0**
FCFF ($M)	**(1.0)**	**(1.0)**	**(0.9)**	**(0.0)**	**0.4**	**0.9**	**0.4**	**16.1**	**24.7**

Figure 2: La Estrella Financial Model

		Production Cost/Mt				
		$34	$39	$44	$49	$54
Revenue/Mt	$184	$16.0M	$16.0M	$16.0M	$16.0M	$16.0M
	$194	$18.0M	$18.0M	$18.0M	$18.0M	$18.0M
	$204	$20.1M	$20.1M	**$20.1M**	$20.1M	$20.1M
	$214	$22.0M	$22.0M	$22.0M	$22.0M	$22.0M
	$224	$24.0M	$24.0M	$24.0M	$24.0M	$24.0M

Figure 3: 2027E Adjusted EBITDA Sensitivity ($M)

The Alotta Project – Yukon

Overview & Location

The Alotta Project is a grassroots copper-gold exploration property located in the Dawson Range Mineral Belt of Yukon, Canada, known for its large-scale porphyry systems and Tier 1 exploration potential. The project is situated adjacent to the advanced-stage Casino Project owned by Western Copper and Gold (WRN:TSX, $350M mkt cap). Alotta's claims are contiguous with Casino and lie within the same Late Cretaceous Casino Suite, a geologic formation that hosts several significant copper-gold porphyry systems throughout the belt. The project benefits from direct access to known mineralized structures and favourable topography for exploration. Forge plans to continue advancing this asset through a combination of drilling and other exploration activities.

Exploration
Initial fieldwork in 2023 identified malachite-bearing boulders, quartz veining, and favourable alteration in surface float and outcrop. Historical trenching and current geophysical interpretation suggest a larger porphyry target beneath shallow cover. In June 2025, Forge commenced its Phase 1 drill campaign at Alotta, targeting high-priority zones within this mineralized corridor. The current program includes ~4,000m of drilling across 12 holes, with the objective of testing newly identified anomalies. The program is designed to assess multiple zones in both the Payoff and Severance areas.

On June 17th, Forge reported the most significant development to date, observing visible gold in hole ALT-25-009, hosted in two separate polymetallic quartz-sulphide veins. FRG also confirmed porphyry-style veining, brecciation, and alteration across holes ALT-25-009 and ALT-25-010, with increasing intensity at depth. Notably, all drill holes completed to date have intersected mineralized and altered porphyritic intrusions, strongly indicating that Alotta is part of the regionally significant Casino Suite. The presence of copper minerals such as chalcopyrite and molybdenite alongside pyrite, pyrrhotite, galena, and sphalerite adds to the geological confidence and discovery potential. As drilling continues through Q3/25, drill results will serve as key near-term catalysts.

Valuation
For Alotta, we assign a $9.7M project valuation equating to $0.09/share. This is based on the summing of the project acquisition cost ($500K – to date, not including the future exploration spend requirements), the project spend to date ($3.4M), this year's exploration budget ($2.8M), and a premium to this total based on the project's proximity to Casino, the prospectivity of the project, and the strong results to date (this also considers the 60% ownership in the project). In the context of a rising copper price environment and global supply tightness, we see Alotta as a meaningful lever for Forge's longer-term growth, particularly if follow-up drilling in 2025 and 2026 shows a scalable system.

Top Jurisdictions
Santander, Colombia
Santander, Colombia, is a compelling jurisdiction for coal development, combining strong historical production with an established regulatory and licensing framework. While much of Colombia's coal industry is concentrated in the La Guajira and Cesar departments, Santander stands out as a well-connected interior region with lower geopolitical tension, fewer large-scale community conflicts, and a growing infrastructure base to support small-to-mid-scale mining ventures. Colombia remains Latin America's coal leader, consistently ranking among the top 10 global producers and exporters of both thermal and metallurgical coal. Santander, in particular, benefits from proximity to domestic thermal demand, road and rail access, and a workforce experienced in energy and resource extraction. Amid continued global demand for high-volatile coking and thermal coal, Santander offers a stable and scalable foothold in one of the world's most established coal-exporting nations.

Yukon, Canada
Yukon is gaining recognition as a high-potential exploration jurisdiction in Canada, offering large-scale geological opportunities within a supportive and stable regulatory environment. The territory hosts the Dawson Range gold belt, home to major deposits like the Casino project, making it one of the most prospective copper-gold belts in North America. Yukon's mining framework features transparent permitting, growing infrastructure investment, and strong support for responsible development. Notably, much of the region, including Forge Resources' Alotta Project, has never been glaciated, preserving in-soil geochemical anomalies and enhancing exploration precision. With increasing exploration activity and a reputation for discovery-stage upside, Yukon offers Forge Resources scale, exploration upside, and long-term development potential.

Management & Ownership
Forge Resources is led by a highly aligned and execution-focused management team with strong backgrounds in exploration, capital markets, and project development. The Company is led by Dr. PJ Murphy, CEO and Director, who owns 5% of the company and brings over 25 years of entrepreneurial and strategic leadership across multiple sectors, including mining and real estate.

The technical strategy is guided by Lorne Warner, P.Geo, a veteran geologist with over three decades of global exploration experience, while financial oversight is provided by Scott Davis, CPA, a senior executive with extensive public company audit and reporting expertise. Strategic capital markets support is anchored by Ralf Holger Schmidtke, who owns approximately 10% of FRG's shares.

Other board members and executive contributors collectively represent an additional 2% ownership, bringing total insider holdings to approximately 17%. The remaining 83% of shares are held by institutional and retail investors. Forge's concentrated and insider-heavy ownership structure supports long-term decision-making, minimizes dilution, and ensures that shareholder value remains central to the Company's strategic priorities.

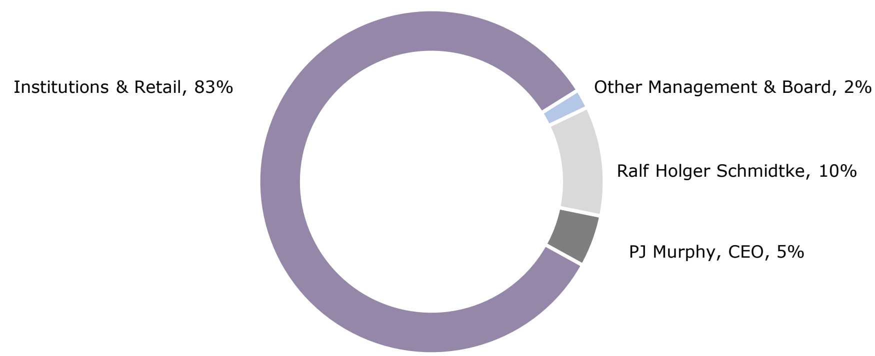

Figure 4: Ownership Summary

Valuation

Peer Group Analysis

Forge Resources operates in a relatively underpopulated space among public coal juniors, particularly those with exposure to both metallurgical and thermal coal markets. Most peers are larger, pure-play metallurgical coal producers such as Warrior Met Coal (HCC:NYSE), Alpha Metallurgical Resources (AMR:NYSE), and Ramaco Resources (METC:NASDAQ), which trade at an average of 8.6x/3.6x 2025E/2026E EBITDA. Among juniors, Colonial Coal (CAD:TSXV) offers the closest structural comparison as a met coal developer, though it lacks thermal exposure. Few comparable companies are developing thermal coal assets, making Forge's positioning more unique and potentially more visible to investors as it advances. We must consider that 10% of FRG's value is from the Alotta Project, skewing upward the multiple seen below.

Forge's 50/50 split between metallurgical and thermal coal gives it balanced exposure to both steel production and power markets. With operations based in Colombia, a key supplier to the Americas, Europe, and Asian markets, the Company is well-positioned to tap into export-driven demand, minimizing exposure to political uncertainty in the U.S. (tariffs). These advantages position FRG ahead of many juniors still navigating permitting, logistics, or offtake uncertainties.

Additionally, recent sector M&A activity highlights renewed investor interest and strategic repositioning in coal. In Q1/25, an all-stock merger between Arch Resources and Consol Energy was completed, creating Core Natural Resources (CNR:NYSE), a $5B U.S. coal producer primarily focused on exports to Asia. With few new coal projects being developed globally, majors tightening their grip on existing supply, Forge's early-stage positioning in Colombia stands out. As the Company advances its projects, we believe it will benefit from outsized valuation upside relative to peers.

Company	Ticker	Mkt Cap (C$M)	EV (C$M)	Flagship Jurisiction	Stage	Product	EV/EBITDA		
							2025E	2026E	2027E
Warrior Met Coal, Inc.	HCC	$3,641	$3,213	United States	Producer	Metallurgical	8.8x	4.1x	3.7x
Alpha Metallurgical Resources, Inc.	AMR	$2,078	$1,477	United States	Producer	Metallurgical	6.1x	1.9x	2.1x
Ramaco Resources, Inc.	METC	$1,647	$1,758	United States	Producer	Metallurgical	18.2x	7.3x	7.7x
Colonial Coal International Corp.	CAD	$285	$280	British Columbia	Developer	Metallurgical	N/A	N/A	N/A
Southgobi Resources Ltd.	SGQ	$110	$395	Mongolia	Producer	Metallurgical & Thermal	N/A	N/A	N/A
Bowen Coking Coal Limited	BCB	$7	$74	Australia	Producer	Metallurgical	1.4x	1.2x	1.1x
Average							**8.6x**	**3.6x**	**3.6x**
Forge Resources Corp.	**FRG**	**$54**	**$53**	**Colombia**	**Developer**	**Metallurgical & Thermal**	**N/A**	**11.9x**	**2.6x**

Figure 5: Peer Group Analysis (Source: CapitalIQ)

Target Price Derivation

We value La Estrella using an EBITDA multiple valuation, consistent with the valuation of its peers. As seen in our assumptions above, we forecast 2027E EBITDA of $20.1M based on 200,000 metric tons of material processed. We apply a 5.5x multiple onto this, a premium to the group average, to obtain a valuation for FRG's 80% of the project of $88.4M or $0.86/share. We attribute this premium as FRG has significantly more growth as well as its higher coal quality. As for Alotta, we assume a valuation of $9.7M or $0.09/share based on the methodology mentioned above. The combination of La Estrella and Alotta results in an enterprise value of $98.1M, which we adjust for net cash to obtain our $1.00/share target price.

Furthermore, we extend out our model until 2035 to estimate $NPV_{5\%}$, equating to $160M or $1.55/share. Thus, FRG trades at only 0.4x NPV, a discount to the global average.

Valuation Summary	Amount (Millions)	Per Share ($/share)
La Estrella Project		
2027E EBITDA	$20.1	$0.20
EV/EBITDA Multiple	5.5x	5.5x
Valuation (80% ownership)	$88.4	$0.86
Alotta Project		
Valuation (60% ownership)	$9.7	$0.09
Total Enterprise Value	$98.1	$0.96
Corporate Adjustments		
(+) Cash	$2.5	$0.02
(-) Debt	$0.6	$0.01
Equity Value	**$100.0**	**$0.97**
Target Price (Rounded)		**$1.00**
Upside		***89%***

Figure 6: Valuation Summary

		2027E EV/EBITDA				
		4.5x	5.0x	5.5x	6.0x	6.5x
2027E EBITDA	$10.0M	$0.50	$0.50	$0.50	$0.60	$0.60
	$15.0M	$0.60	$0.70	$0.80	$0.80	$0.90
	$20.1M	$0.80	$0.90	**$1.00**	$1.10	$1.10
	$25.0M	$1.00	$1.10	$1.20	$1.30	$1.40
	$30.0M	$1.20	$1.30	$1.40	$1.50	$1.60

Figure 7: Target Price Sensitivity

Tear Sheet

Market Data	
Ticker	FRG:CSE
Stock Price	$0.53
Rating	BUY
Target Price	$1.00
NAVPS (5%)	$1.55
Market Cap ($M)	$54.4
Cash ($M)	$2.5
Debt ($M)	$0.6
EV ($M)	$52.5

Capital Structure	
Basic Shares Outstanding (M)	98.3
Warrants (M)	19.4
Options (M)	13.0
FD Shares (M)	130.8
FD ITM Shares (M)	102.7

Ownership	
Management & Board	17%
Institutions & Retail	83%

Financial Estimates	Q4/25E	**2025E**	Q1/26E	Q2/26E	Q3/26E	Q4/26E	**2026E**	**2027E**	**2028E**
Material Processed (ton)	500	500	1,000	13,000	19,000	25,000	58,000	200,000	280,000
Revenue/ton	187	187	187	187	187	187	187	204.4	204.4
Revenue ($M)	**0.1**	**0.1**	**0.2**	**2.4**	**3.6**	**4.7**	**10.8**	**40.9**	**57.2**
Gross Profit ($M)	**0.1**	**0.1**	**0.1**	**1.8**	**2.7**	**3.5**	**8.2**	**32.1**	**44.9**
Gross Margin (%)	*75%*	*75%*	*75%*	*75%*	*75%*	*75%*	*75%*	*78%*	*78%*
EBITDA ($M)	**0.0**	**0.0**	**0.1**	**1.0**	**1.4**	**1.9**	**4.4**	**20.1**	**28.7**
EBITDA Margin (%)	*41%*	*41%*	*41%*	*41%*	*41%*	*41%*	*41%*	*49%*	*50%*
Capex ($M)	1.0	1.0	1.0	1.0	1.0	1.0	4.0	4.0	4.0
FCFF ($M)	-1.0	-1.0	-0.9	0.0	0.4	0.9	0.4	16.1	24.7

Figure 8: Tear Sheet

Company Overview

Forge Resources Corp. is a Canadian junior mining company advancing a dual-asset portfolio that combines near-term cash flow potential with high-impact exploration upside. The Company's cornerstone asset is an 80% interest in the fully permitted La Estrella Coal Project in Santander, Colombia, which is expected to generate initial revenue from a 20,000 metric ton bulk sample starting in early 2026 and followed by a ramp-up to commercial production in late 2026. La Estrella is comprised of ~50/50% metallurgical and thermal coal, with permits in place for up to 180,000 tons per year and scalability to 360,000 tons per year. Based on our model, by 2027, Forge is projected to produce 180,000 tons of coal, which would generate approximately $36.7M in revenue and $12.7M in free cash flow.

Complementing this near-term production and cash flow is Forge's 100%-owned Alotta Copper-Gold Project, located in Yukon's Dawson Range, immediately adjacent to Western Copper and Gold's advanced-stage Casino deposit. Early-stage drilling at Alotta has confirmed porphyry-style alteration and mineralization across a 4km by 1km corridor, and a fully funded 4,000m drill program is underway in 2025 to define the scale of the system. While Alotta is not currently the Company's core value driver, it offers meaningful upside exposure in a Tier 1 copper jurisdiction and could evolve into a strategic asset in the event of a discovery.

La Estrella – Colombia

La Estrella is FRG's cornerstone asset, a fully permitted metallurgical and thermal coal project located in the coal-producing department of Santander, Colombia. Forge holds an 80% interest in the project through its ownership in Aion Mining Corp, and is advancing toward initial production via a 20,000 ton bulk sample program slated for January 2026. The project has an approved capacity of up to 180,000 tons per year, with scalability to 360,000 tons upon ramp-up.

The 548ha land package hosts multiple stacked seams containing a balanced 50/50 mix of high-volatile metallurgical (coking) coal and premium thermal coal. The coal is of export quality, with BTUs ranging from 11,800 to 13,900, and is in demand from buyers seeking to blend higher-grade material into lower-quality feedstock from northern Colombia. Notably, the project benefits from a fully granted environmental license and a mining concession valid for over 43 years, offering long-term operational visibility and permitting certainty.

With offtake already secured and a de-risked underground development approach that avoids the social and environmental concerns associated with open-pit mining, La Estrella is well-positioned to generate near-term cash flow while retaining scalability and strategic flexibility.

Figure 9: La Estrella Project (Source: Company Documents)

Location

Strategically located in northeastern Colombia, La Estrella benefits from strong regional infrastructure and access to international coal export corridors. The project offers two transport routes to the Santa Marta port on the Atlantic coast. The primary option is a 9km off-road segment followed by a 575km highway route, totalling approximately 10 hours by truck. Alternatively, coal can be trucked 350km (6 hours) to the Chiriguaná rail terminal, then shipped 220km by train to the port, providing a flexible, multimodal path for bulk exports.

Coal is sold Free on Board (FOB), meaning buyers assume responsibility for logistics from the point of loading. Although potential buyers are also interested in buying Free on Truck (FOT) at the project's site, which also minimizes operational complexity and working capital risk for Forge, while offering buyers flexibility and access to rail or road-based delivery methods. Notably, Forge is already engaged with prospective buyers seeking FOB delivery, reinforcing the site's logistical viability. Our model utilizes a FOB sales price of between $187/ton and $204/ton.

The project site is equipped with water and power access and connected to regional road networks, ensuring year-round operability. Located in the mining-active department of Santander, La Estrella draws on a skilled workforce, a stable regulatory environment, and improving infrastructure. Combined with its long-term permits and scalable underground design, the project offers a rare blend of near-term production and strategic location in one of Latin America's key coal-producing zones.

The project's 548ha mining concession (FLG-111), granted by Colombia's Mining Agency, is valid for over 43 years and fully permitted for underground exploration and bulk sampling. Forge's 2023 drilling campaign, which focused on just 5% of the total concession area, confirmed the continuity of coal seams and the potential to delineate further resources.

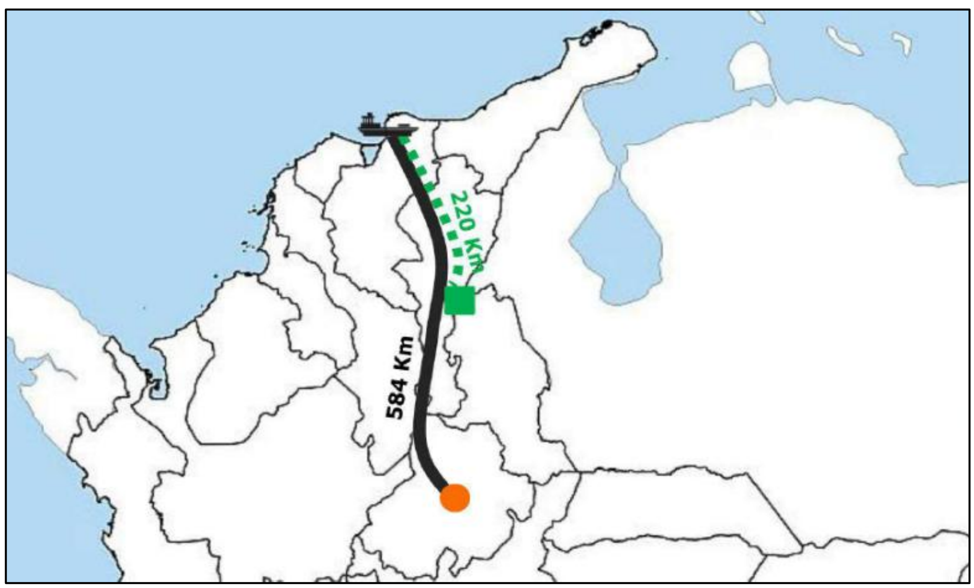

Figure 10: Infrastructure and Transportation for La Estrella Project (Source: Company Documents)

Underground Exploration Strategy

Forge's underground development strategy at La Estrella is built on a strong foundation of engineering, geotechnical planning, and progressive site development. The Company is preparing for an initial 20,000-tonne bulk sampling program, intended to validate coal quality, confirm metallurgical parameters, and potentially generate first revenue to support future advancement.

The bulk sample will be extracted via a designed underground decline, illustrated in the Initial Decline Profile to First Cross-cut (Figure 11). This 313m decline provides controlled access to the coal body while minimizing surface disturbance. Upon reaching the initial target depth, Forge plans to execute a horizontal crosscut to intersect six stacked coal seams, M200, M180, M160, M140, M120, and M110, shown in Figure 12. We'll note that there are eight coal seams identified, but currently six are primary targets.

Seams M160, M140, and M110 have shown strong metallurgical potential, with Free Swelling Index (FSI) values up to 8, indicating suitability for steelmaking markets. Coal sampling to date has demonstrated a Gross Calorific Value (GCV) averaging 12,400 BTU, with high-grade intervals reaching 13,900 BTU.

The underground strategy not only mitigates the political and ESG complexity of open-pit development but also supports scalable extraction of both thermal and metallurgical coal. If successful, the bulk sample is expected to validate product specifications and trigger offtake contracts already under LOI, positioning La Estrella for commercial ramp-up under a low-capex, modular model.

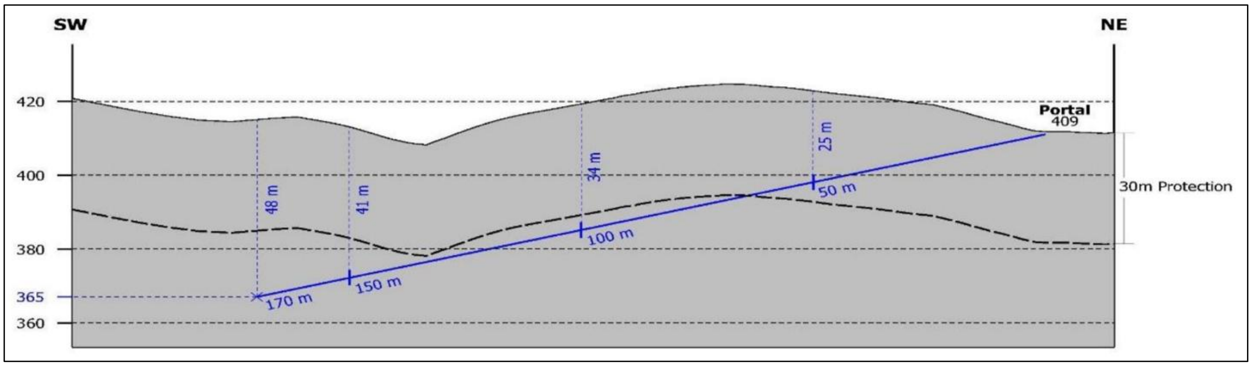

Figure 11: Initial Decline Profile to First Cross-cut (Source: Company Documents)

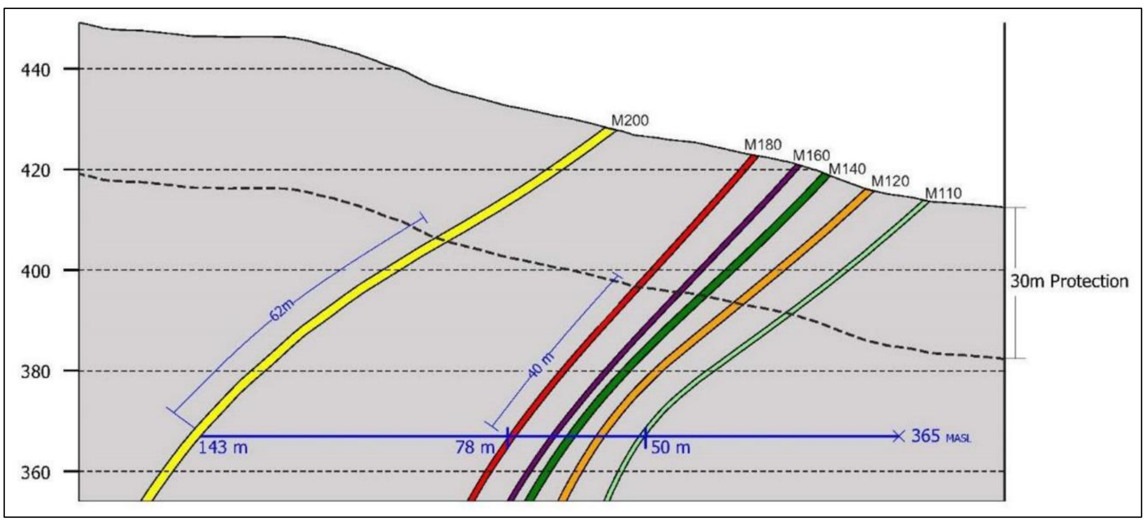

Figure 12: Cross-cut Profile Reaching Six Coal Seams (Source: Company Documents)

Decline Construction & Site Readiness

Forge Resources is in the process of completing the construction of its first decline at La Estrella with roughly 70m driven and 23% complete, as of July 14th, 2025. The portal is a reinforced concrete structure of 10m and the decline is made of steel-arches and electro welded mesh extending 313m, providing initial underground access to six stacked coal seams targeted in the upcoming 20,000 metric ton bulk sample. The isometric design includes retaining walls and a fully drained foundation, engineered for stability and long-term operational use (see Figures 13 & 14).

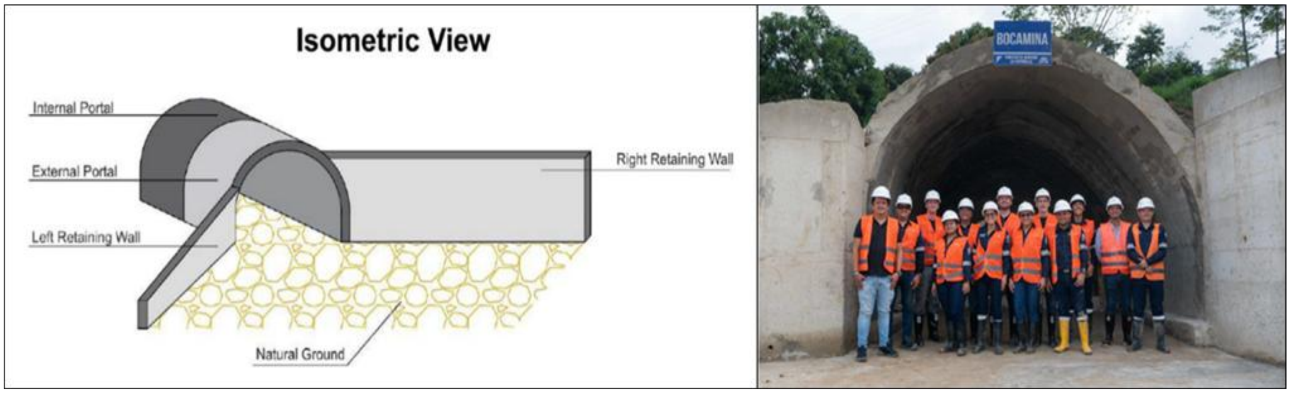

Figure 13: Portal Construction Completed and Snapshot of the Team on March 11, 2025 (Source: Company Documents)

On-site infrastructure is advancing in parallel. Key components such as the mining plaza, core shack, drainage systems, internal roads, and temporary camp facilities have already been commissioned. Additional work is underway on power upgrades, permanent housing units, water treatment systems, and coal handling infrastructure to support ramp-up to commercial production.

The development strategy is aligned with Colombia’s regulatory preference for underground over open-pit coal mining and supports Forge’s ESG credentials. The portal’s modular configuration allows for future expansion, ventilation, and dual-access configurations, all of which are already permitted. As outlined in the approved underground plan, the mine will utilize a short wall method paired with a reversed steps system, optimized for seams dipping at +40°. The current development cuts across eight identified seams, with six major seams considered potentially economic, all of which outcrop at the surface, allowing for efficient early-stage access. These seams dip between 24° and 50° and range in thickness from 1.0m to 1.5m, supporting selective extraction via inclined drift.

Figure 14: Underground Decline Development (Source: Company Documents)

Historical Coal Resources
La Estrella benefits from a historical resource base outlined in a 2012 NI 43-101 report, which defined eight distinct coal seams, evenly split between high-volatile metallurgical and high-BTU thermal material, across a 548ha concession. Six of these seams have been identified as priority targets for near-term extraction, based on seam thickness, quality, and accessibility from the existing decline. While Forge has not yet undertaken the work required to reclassify the historical estimate as current mineral resources or reserves, the Company has opted to proceed toward near-term bulk sampling and staged production based on the strength of legacy data and recent supporting exploration results.

In May 2023, Forge completed a confirmatory drill campaign focused on a small portion of the concession area. The results confirmed seam continuity, structure, and coal quality in line with the historical technical report. These observations have reinforced confidence in the historical resource and supported the decision to advance the underground development and portal excavation efforts.

Importantly, the project features excellent surface exposure of coal seams, a rare advantage for an underground thermal/metallurgical operation. As shown in Figure 15, several seams outcrop directly at the surface, enabling direct inspection and reducing uncertainty in the initial mine plan. The exposed seams display consistent layering, significant thickness, and favourable geotechnical conditions, all of which support the Company’s selective mining strategy.

Forge’s decision to move forward without commissioning a new resource estimate reflects the low-capex nature of the project, the strength of the existing geological dataset, and the visible evidence of in-situ coal. With permits in hand and development underway, the Company is pursuing a pragmatic, production-first approach to unlocking value at La Estrella.

Figure 15: Project Advancements – Outcropping Coal (Source: Company Documents)

Historical Project Economics
The La Estrella Project has a historical NI43-101 resource estimate published in February 2012, which outlines eight distinct coal seams, four thermal and four metallurgical, with total historical resources of 1.85M metric tons measured, 4.34M metric tons indicated, and 16.5M metric tons inferred (Figure 16). These seams are laterally continuous and stacked within the project area, enabling efficient underground access and selective extraction. Of the eight seams, six have been identified as priority targets for near-term extraction, combining high calorific thermal seams with metallurgical seams that demonstrate FSI values of up to 8. Importantly, Forge Resources has not yet conducted sufficient work to classify the historical estimate as current, and it is not treating the historical resource as a current mineral resource or reserve.

Type	Qty of Seams	Measured Resources (tons)	Indicated Resources (tons)	Inferred Resources (tons)
Resources	8	1,846,470	4,339,147	16,471,037

Figure 16: Historical Coal Resources (Source: Company Documents)

***Community Development Initiatives* (Colombia)**
Forge Resources is actively engaged in social and environmental initiatives in the municipality of Betulia, Colombia, where its La Estrella Coal Project is located. These efforts reflect the Company’s commitment to responsible development and long-term community resilience, spanning education, infrastructure, environmental stewardship, and cultural preservation.

Education and Connectivity
Forge is supporting three local schools through infrastructure upgrades, educational supplies, and enhanced communication tools. These schools are being developed as vocational training hubs to align with future employment opportunities. In parallel, Forge is helping improve mobile signal and internet coverage in the region to support both education and broader regional connectivity.

Infrastructure and Water Access
Key investments include maintaining and upgrading access roads that connect Betulia to neighbouring towns, improving safety and enabling trade. Forge is also expanding water infrastructure and applying responsible usage and treatment protocols to ensure sustainable community access and environmental compliance.

Culture, Environment, and Economic Empowerment
The Company continues to promote cultural heritage and community cohesion by sponsoring local events and preserving traditional customs. Environmental priorities include reforestation efforts and protection of native species. Forge is also supporting economic development by encouraging entrepreneurship and facilitating trade routes with regional centres.

Coal Quality
Coal quality is a fundamental determinant of marketability, pricing, and end-use applicability for any coal deposit. Key parameters, such as calorific value (BTU/lb), volatile matter (%), and fixed carbon (%), help categorize coal into thermal or metallurgical classes, each commanding distinct pricing tiers in the global market. High-grade thermal coal is known for its energy yield in power generation, while high-volatile metallurgical coal is essential in steelmaking due to its coking properties. As such, understanding a coal deposit's rank and quality spectrum is critical for evaluating its economic potential.

Historical coal quality testing from Forge's exploration campaign, summarized in Figure 17, demonstrates the presence of both thermal and metallurgical-grade seams. Thermal seams returned calorific values exceeding 11,800 BTU/lb (dry basis), placing them well within the range of premium export-grade thermal coal. In metallurgical zones, volatile matter was measured at 34%, and fixed carbon averaged 48%, both hallmarks of high-volatile bituminous coal, particularly "high-volatile A" to "high-volatile B" rank. These characteristics align with specifications shown in Figure 18, based on ASTM ranking criteria.

Importantly, sulphur levels remain low, averaging approximately 1.6%, which supports clean-burning performance and enhances offtake flexibility across industrial, utility, and steelmaking markets. These results underscore the dual-market potential of Forge's coal inventory and reinforce the validity of historical assessments through recent confirmatory drill data.

Thermal & Coking Coal (Main Indicators)	Value (Dry Basis)
Gross Calorific Value (BTU/lb)	11,800-13,900
Sulfur pct.wt	Avg. 1.6
Volatile Matter pct.wt	34%
Free Swelling Index (FSI)	<8.0

Figure 17: Coal Quality (Source: Company Documents)

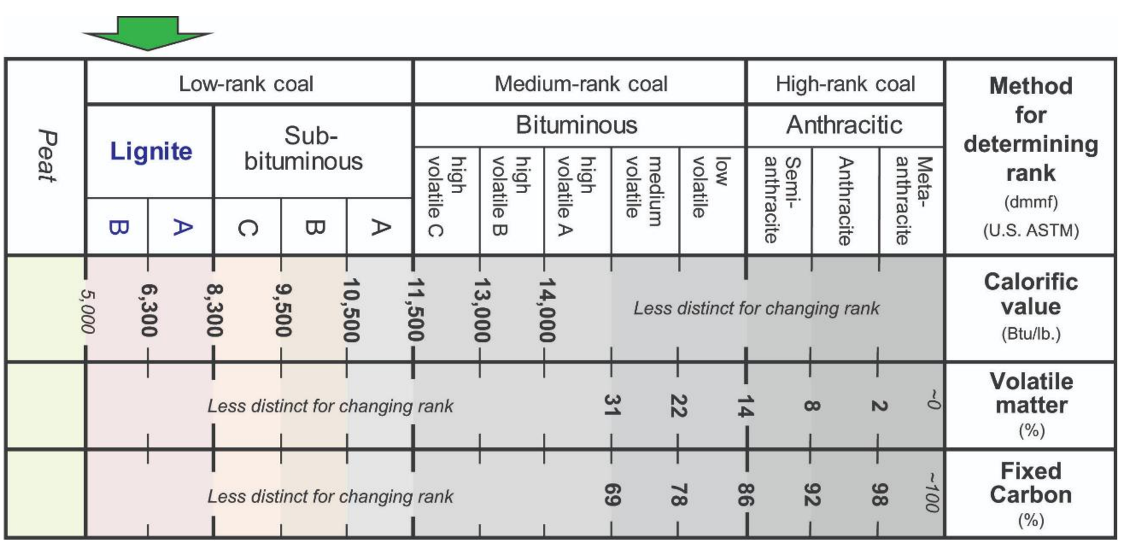

Figure 18: Coal Quality (Source: Kentucky Geology)

The Global Need for Coal

Despite long-term transition narratives, coal remains a critical pillar of the global industrial and energy complex. As of 2024, coal still fuels 37% of the world's electricity and is responsible for producing over 70% of global steel, anchoring its role in both emerging markets and developed economies. While alternative energy adoption is rising, coal's resilience is rooted in infrastructure, cost, and the lack of scalable substitutes for key industrial processes.

Looking forward, coal is expected to contribute 22% of the global electricity mix by 2040, according to the World Coal Association. In high-growth regions such as Southeast Asia, this figure is even more pronounced; coal is forecast to supply 39% of electricity needs in the same period, underscoring the region's reliance on affordable and scalable baseload energy.

Industrial Demand Drivers

Steel Production

Coking coal is a non-negotiable feedstock in global steelmaking. Roughly 1B tonnes of metallurgical coal are used annually to convert iron ore into molten iron via coke, a high-carbon material derived from coal. As global demand for construction, transportation, and infrastructure continues to grow, metallurgical coal will remain essential.

Cement Production

Coal is the primary fuel source for high-temperature kilns used to manufacture clinker, the binding component of cement. Moreover, coal combustion byproducts (CCPs) like fly ash are widely used in concrete production, supporting sustainability by reducing reliance on virgin materials.

Aluminum Production

Over 60% of aluminum manufacturing relies on coal-powered energy. As demand rises for lightweight materials in electric vehicles, aerospace, and green construction, aluminum's production cycle remains heavily dependent on coal-fired power sources.

Technological Adaptation & Emission Control

Environmental innovation is mitigating coal's traditional drawbacks. Emission-reducing technologies such as electrostatic precipitators, wet scrubbers, coal cleaning systems, and fabric filters are now deployed globally. These systems are capable of reducing particulate emissions by over 99.5%, helping coal-powered operations meet regulatory standards across both developed and emerging markets.

Global Metallurgical Coke Market Outlook

As shown below, global demand for metallurgical coke is expected to grow at a 6.7% CAGR through 2030, reaching over $530B in market value. The iron and steel industry continues to dominate consumption, followed by persistent demand from the chemical and industrial sectors. This growth reinforces the essential role of coking coal in core industrial processes, even as emission standards tighten and technological adaptation accelerates (Figure 19).

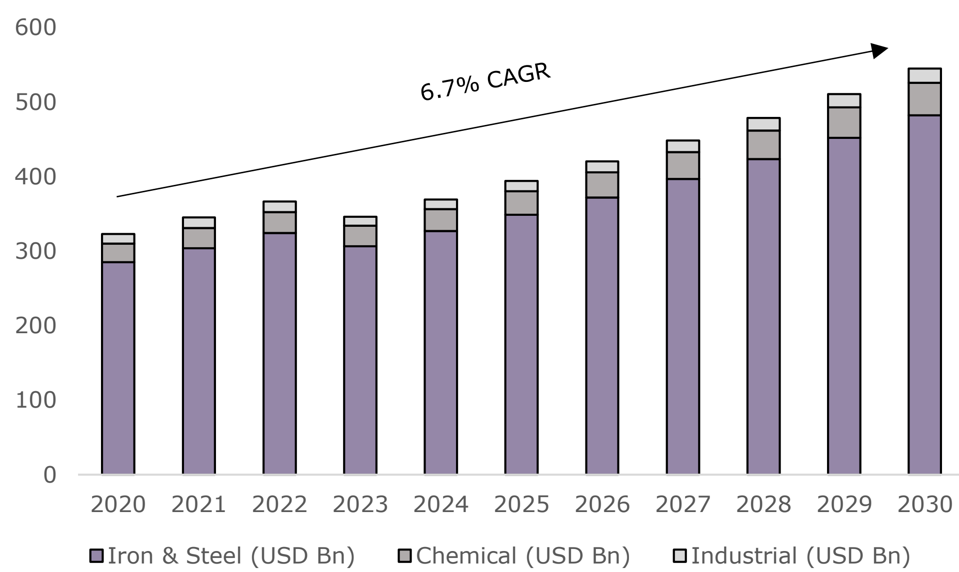

Figure 19: Metallurgical Coke Market Size (Source: Grandview)

Alotta Copper-Gold Project

The Alotta Copper-Gold Project is Forge Resources' exploration-stage asset, located within the prolific Dawson Range Gold Belt in west-central Yukon. The property consists of 230 mineral claims covering 4,723 ha and is situated ~40km southeast of the world-class Casino deposit (Western Copper and Gold, WRN:TSX). Alotta shares the same intrusive complex as Casino and benefits from preserved geochemical anomalies due to its unglaciated terrain, an important exploration advantage.

While early results suggest Alotta could evolve into a meaningful secondary asset, Forge's near-term focus remains firmly on advancing La Estrella toward production. The Company's valuation and growth trajectory are expected to be driven by La Estrella's cash flow profile, not grassroots exploration. This is consistent with the peer group, which includes larger, cash-flowing coal producers, highlighting that the near-term value proposition is anchored in Colombia.

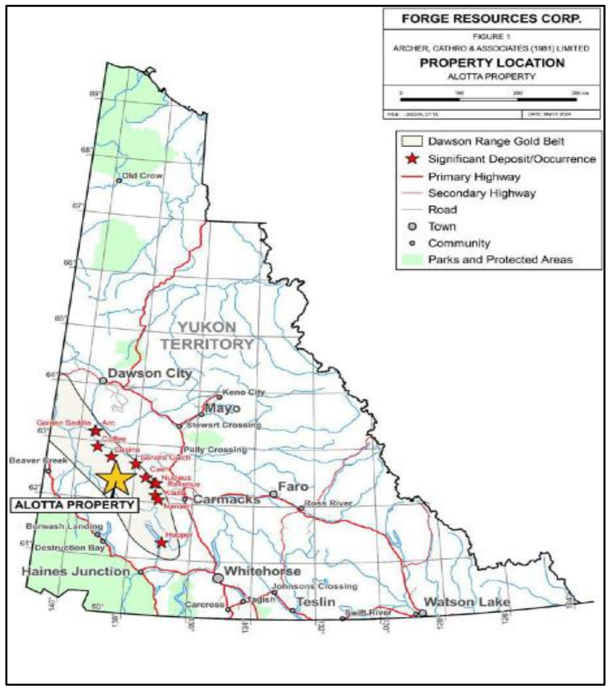

Figure 20: Picture of the Alotta Project (Source: Company Documents)

Location

Alotta is situated in a geologically favourable corridor between several of Yukon's largest porphyry and epithermal systems. The project is accessible via seasonal trails and helicopter-supported staging, with logistics supported by nearby infrastructure hubs at Haines Junction and Carmacks. The Rude Creek airstrip, located northwest of the property, offers strategic airborne access for drill mobilization and emergency response.

As illustrated in Figure 21, Alotta is surrounded by advanced-stage projects such as Casino and Klaza, indicating strong regional mineralization potential. Yukon is considered a mining-supportive jurisdiction, with clear permitting pathways, federal exploration incentives, and established First Nations engagement frameworks. With near-term drill targeting focused on large-scale porphyry-style mineralization and a high-potential geochemical footprint, Alotta represents a compelling grassroots discovery opportunity in one of Canada's most geologically endowed and stable mining environments.

Figure 21: Picture of the Alotta Project (Source: Company Documents)

Drill Results

Initial drilling at the Alotta Project in 2023 returned the most significant mineralized intercepts to date. Hole ALT-23-001 intersected 211.6m of 0.46 g/t Au and 191 ppm Cu, including a high-grade zone of 22.4m at 1.20 g/t Au and a peak interval of 0.6m grading 9.94 g/t Au and 3,150 ppm Cu. A second hole, ALT-23-002, intercepted 99.1m at 0.30 g/t Au and 153 ppm Cu, confirming mineralization continuity along strike. These results validate the presence of a broad mineralized system and establish a strong foundation for follow-up drilling in 2025.

Hole Number	From (M)	To(M)	Interval (M)	Au (g/t)	Cu (ppm)
ALT-23-001	7.4	219.0	211.7	0.46	191
including	97.6	120.0	22.5	1.20	233
including	105.0	105.6	0.6	9.94	3150
ALT-23-002	62.9	162.0	99.1	0.3	153

Figure 22: Drill Intercepts at Alotta Project (Source: Company Documents)

Chargeability Map and Future Targets

Schaft The induced polarization (IP) chargeability map defines a 2km+ long anomaly coincident with soil geochemistry and magnetic lows; key indicators of porphyry-style mineralization. The 2023 and 2024 drilling focused on the Payoff Zone, centrally located along the anomaly and returning the best intercepts to date. The 2025 drill program will expand coverage to test untested high-priority zones such as the Alimony and Commission Targets, where drill pads are already established. This map underscores the scale of the mineralized system and helps target the 4km x 1km prospective corridor.

ALT-23-01

This cross-sectional view illustrates the orientation and depth of mineralized zones intersected in hole ALT-23-001. Gold and copper mineralization is associated with a well-developed structural corridor hosted within quartz feldspar porphyry and quartz diorite units. The mineralization style and alteration intensity suggest the presence of a large porphyry system. The intercept geometry supports further step-out drilling along strike and at depth, targeting extensions of bulk-tonnage and high-grade zones.

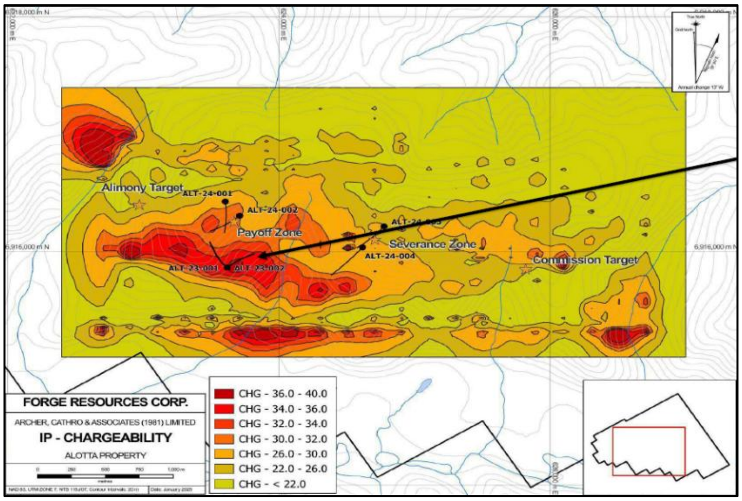

Figure 23: Drill Intercepts at Alotta Project (Source: Company Documents)

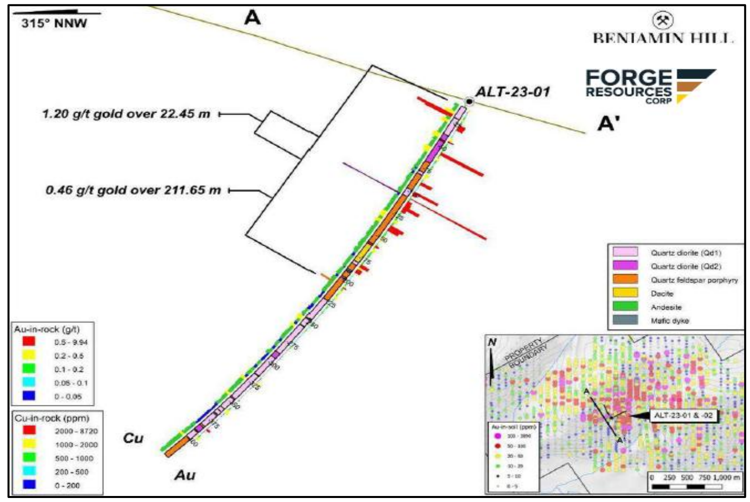

Figure 24: Chargeability Zones at Alotta Project (Source: Company Documents)

Drilling Strategies and Target Areas

Forge's 2025 Phase 1 drill program at Alotta is testing a 4km x 2km corridor interpreted as a large porphyry system linked to the Casino Suite. The campaign is designed to assess multiple targets, including Payoff, Severance, Alimony, and Commission zones, each exhibiting strong geochemical and geophysical anomalies. To date, all holes have intersected porphyritic intrusions with increasing alteration and veining at depth (Figure 25).

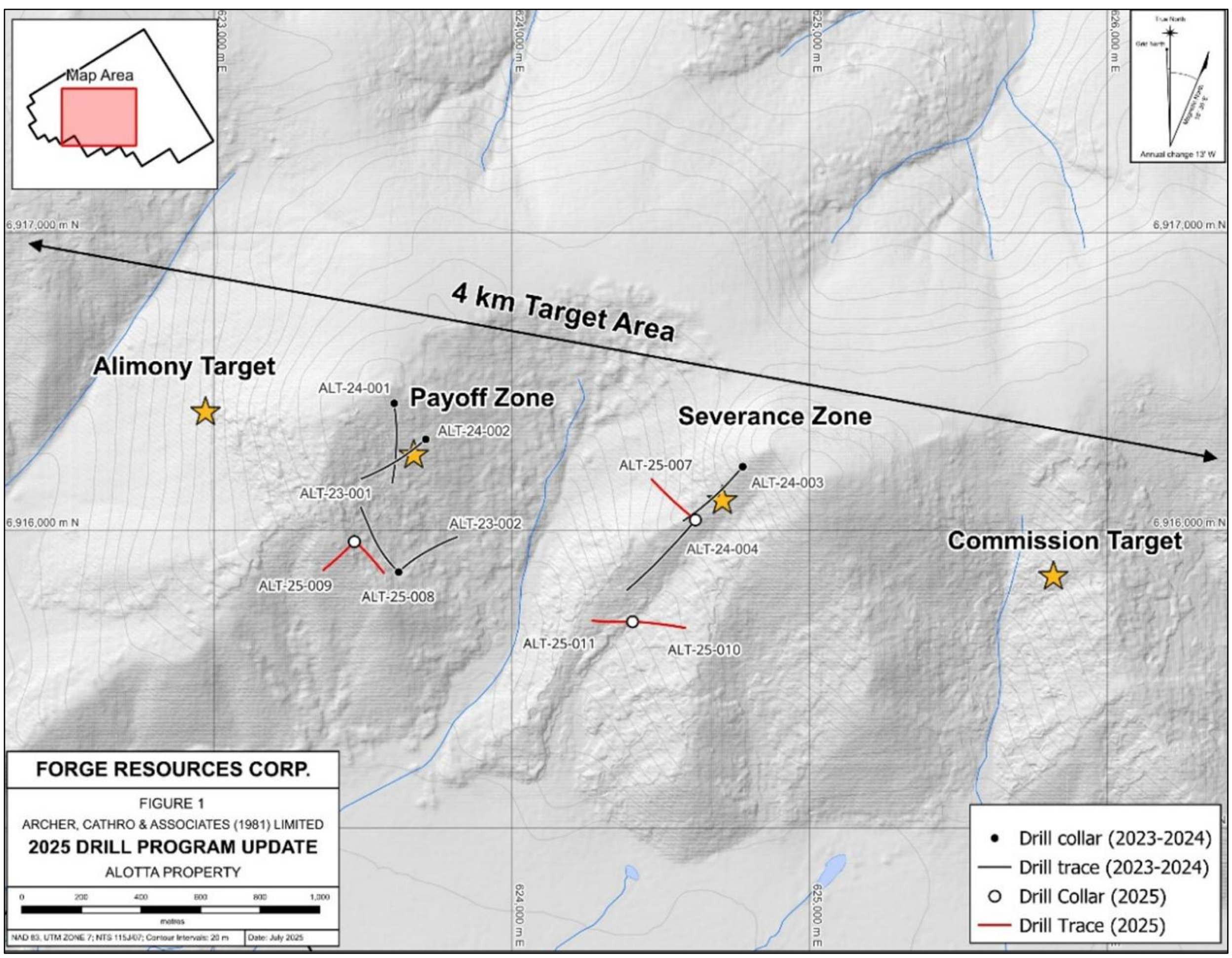

Figure 25: Drill Program Target Areas at the Alotta Project (Source: Company Documents)

The Payoff Zone has returned the strongest results to date. Visible gold has been identified in both holes drilled in this zone in 2025 (ALT-25-008 and ALT-25-009). Multiple cm-scale quartz veins were observed to host bismuthinite and visible gold in ALT-25-008, as documented in Figures 26, 27, and 28, marking the first recorded instance of visible gold at Alotta.

ALT-25-009, collared 180m northwest of Forge's 2023 drill pads, intersected similar veining and alteration, reinforcing the presence of a gold-enriched halo around the main porphyry system. These results materially build on Forge's 2023 program, which returned broad low-grade intercepts including 211m of 0.46g/t Au and 99m of 0.3g/t Au from holes 23-ALT-001 and 23-ALT-002, respectively.

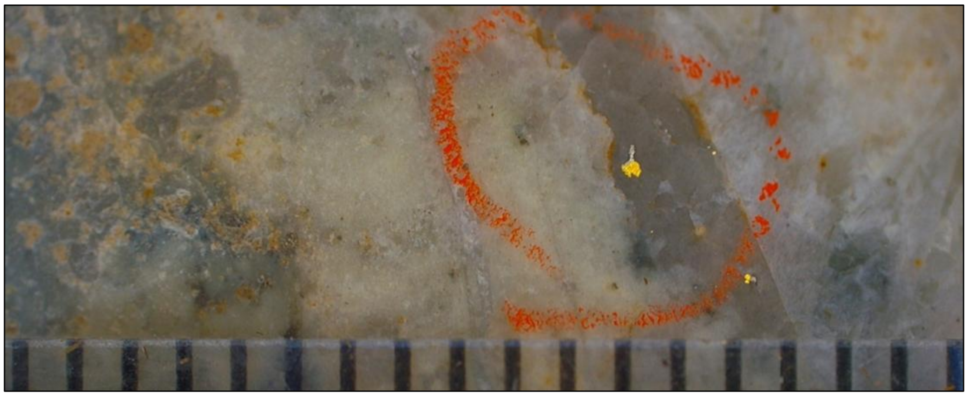

Figure 26: ALT-25-008 (52m). A 1cm wide quartz vein hosting visible gold and bismuthinite (Source: Company Documents)

Figure 27: ALT-25-008 (56m). 2cm wide quartz vein hosting visible gold and bismuthinite (Source: Company Documents)

Figure 28: ALT-25-008 (46m). 2cm wide quartz vein hosting local grains of bismuthinite (Source: Company Documents)

Forge has allocated a $2.8M budget for exploration at Alotta in 2025, with $1.3M of this already expended through the first half of the year. This follows the $2.1M invested into exploration at Alotta through 2023 and 2024, bringing total expenditures at the site to ~$3.4M to date. Under the option agreement, Forge is required to spend a total of $11M on exploration through the end of 2027. See this breakdown in the section below.

Ownership
Forge holds a 60% interest in the Alotta Copper-Gold Project under an option agreement with Strategic Metals Ltd. (SMD:TSXV). The agreement grants Forge the right to earn its ownership through a combination of cash payments and exploration expenditures over a five-year period.

To date, Forge has paid $200K in option payments, with the remaining balance of $300K due in staged installments through January 2028. The updated payment schedule includes:

- $100K due January 17th, 2026
- $100K due January 17th, 2027
- $100K due January 17th, 2028

In addition to the cash payments, the agreement requires Forge to incur a total of $11M in exploration expenditures as follows:

- $500K by December 31st, 2023 (completed)
- $1.5M by December 31st, 2024 (completed)
- $2.5M by December 31st, 2025 (ongoing)
- $3.0M by December 31st, 2026
- $3.5M by December 31st, 2027

The structure of this agreement allows Forge to advance Alotta while preserving balance sheet flexibility. Upon completion of the agreement, Forge will have fully earned its 60% interest in the project, with Strategic Metals holding the remaining 40%.

Recent Announcements
On July 2nd, Forge Resources reported two new visible gold occurrences in hole ALT-25-008 and confirmed that all five Phase 1 holes at the Alotta Project intersected porphyry-style mineralization over a 4km by 2km area. Visible gold is now confirmed in both holes at the Payoff Zone, with assays pending.

On June 17th, Forge Resources announced the discovery of visible gold in hole ALT-25-009 and continued porphyry-style mineralization at the Alotta Project. Multiple veins containing gold and sulphide minerals were intersected, with increasing alteration and veining observed at depth. All holes to date support the presence of a large porphyry system linked to the regional Casino Suite.

On June 10th, Forge Resources announced the appointment of Gord Neal to its Board of Directors. Mr. Neal brings decades of experience in mining finance, project development, and corporate governance, having held executive roles across numerous resource companies.

On June 5th, Forge Resources announced the commencement of drilling at the Alotta Project in Yukon. The first hole (ALT-25-007) revealed strong veining and favourable phyllic alteration within the top 25m. The drill program includes up to 12 holes totalling 4,000m, with pad construction underway for follow-up holes in the Payoff Zone.

On June 3rd, Forge Resources announced mobilization for its 2025 exploration program at Alotta. Camp re-establishment and drill pad construction were completed and drilling to begin by the end of the week. The program is focused on step-out targets and untested anomalies across a 4km by 1km corridor.

On May 29th, Forge Resources announced the closing of its acquisition of an additional 20% interest in Aion Mining Corp., increasing its ownership of the fully permitted La Estrella coal project to 80%. The transaction was structured using common shares and a promissory note to preserve financial flexibility. Forge also revised the terms of its flow-through financing, increasing the number of units offered to 1.52M at $0.66 each to raise $1M. Each unit consists of one flow-through share and half a warrant exercisable at $1.00 for 2 years, proceeds to Canadian exploration expenditures.

On May 7th, Forge announced infrastructure upgrades at La Estrella designed to support 24-hour operations. Electrical enhancements and new lighting and surveillance systems were installed alongside a 10km road improvement initiative in collaboration with local municipalities to enhance site accessibility and safety.

On May 1st, Forge provided a development update from La Estrella, reporting accelerated progress on the decline ramp following the arrival of new mechanized mining equipment. The Company noted that rock stability exceeded expectations and reiterated its commitment to safety and operational efficiency ahead of first coal extraction.

On April 23rd, Forge Resources announced it had exercised its option under an anti-dilution agreement to acquire a further 20% interest in Aion Mining Corp., with the proposed transaction to be completed for $2.3M via shares and an interest-bearing note. The acquisition was approved by independent directors and will bring Forge's ownership of La Estrella to 80% upon completion.

Cap Table & Balance Sheet

Forge Resources has approximately 93.35M basic shares outstanding and 125.8M fully diluted shares, inclusive of outstanding warrants and options. The Company has issued equity primarily to advance development at its fully permitted La Estrella coal project and fund exploration at the Alotta copper-gold property. Most outstanding warrants are currently out-of-the-money, minimizing dilution risk.

The share count has increased in recent quarters following strategic financings in early 2025 and 2024. The Company maintains a tight capital structure with strong insider participation; management and the board collectively own approximately 17% of the shares outstanding. As of February 28th, 2025, the Company held $2.5M in cash, while its only material debt is a $567k unsecured convertible debenture, issued in connection with its increased ownership in Aion Mining (La Estrella). Forge enters its first revenue-generating phase with a strong liquidity position and minimal leverage.

Management

Dr. PJ Murphy – Chief Executive Officer & Director

Dr. Murphy brings over 25 years of management and investment experience across the junior mining, real estate, and healthcare sectors. A seasoned operator and capital allocator, he has led multiple successful private exits and brings a sharp eye for identifying undervalued assets and repositioning them for value creation. Dr. Murphy holds a Bachelor of Science degree from McGill University and a Doctor of Dental Surgery degree from Dalhousie University. He has personally invested over $500,000 into Forge and owns ~5% of Forge Resources' outstanding shares.

Lorne Warner, P.Geo – President

Mr. Warner is a veteran exploration geologist with over 30 years of global experience, including senior roles at Noranda Exploration and Placer Dome Inc. He holds a geology degree from the University of Alberta and is a registered professional geologist in the Northwest Territories and Nunavut. Mr. Warner is credited with several significant discoveries, including the extension of Detour Lake (Ontario), the Falea North Zone (uranium-silver-copper), and the Fatou Main Gold Deposit in Mali.

Scott Davis, CPA – Chief Financial Officer

Mr. Davis is a Chartered Professional Accountant with more than 25 years of experience in accounting and finance for mining, oil, and gas companies. He is a partner at Cross Davis & Co. LLP, a Vancouver-based accounting firm specializing in junior mining. Mr. Davis formerly worked with Davidson & Company LLP, supporting audit mandates across resource issuers and TSX Venture-listed companies. Mr. Davis holds 103K shares of FRG.

Cole McClay – Chief Operating Officer & Director

Mr. McClay has a diverse background in corporate strategy, operational execution, and organizational scaling. With over a decade of leadership across mining, agriculture, and healthcare, he specializes in process optimization, growth planning, and business development. Mr. McClay holds a Bachelor of Commerce from Royal Roads University and owns ~1% of Forge Resources' outstanding shares.

Camilo Cordovez Amador – Vice President, Finance
Mr. Cordovez is a finance professional with 16 years of experience in investment banking, asset management, and corporate finance. He has managed portfolios totalling over $700M and played key roles in listing and financing several resource companies. His experience includes senior roles at PrimeCap S.A.S. and Yun Capital (NYC), as well as a focus on mining and infrastructure transactions at C&ENER S.A. Mr. Cordovez holds a Bachelor's degree in Finance and Business from European University in Barcelona, and certifications in International Corporate Finance from Columbia Business School and Private Equity from EAFIT University.

Advisory Team

Matthew Warder – Senior Advisor
Mr. Warder is a recognized analyst in energy, metals, and mining with nearly two decades of cross-sector experience. He is the founder and CEO of Seawolf Research and co-founder of Energy Capital Research Group. Formerly Principal Analyst at Wood Mackenzie, his expertise spans equity research, commodity price forecasting, and due diligence across global resource industries.

Dr. Guowei Zhang, P.Geo – Senior Advisor
Dr. Zhang is a structural geology expert with over 30 years of consulting experience. He earned his PhD from McGill University and has worked across Canada, the U.S., Asia, and Africa. A Fellow of the Geological Association of Canada, Dr. Zhang brings deep structural modelling and interpretation expertise, critical to porphyry exploration programs like Alotta.

Russell Ball, CPA – Senior Advisor
Mr. Ball is the former CFO of both Goldcorp Inc. and Newmont Mining Corporation. He also served as CEO and Executive Chair of Calibre Mining Corp. He currently sits on the boards of Ivanhoe Electric and Faraday Copper. Mr. Ball brings global M&A, capital markets, and development strategy experience to Forge.

Patrick Bonner – Special Advisor
Mr. Bonner is a private investor and former executive with over 25 years of experience across the mining, energy, and real estate sectors. His expertise in capital markets and strategic planning is complemented by a successful track record in identifying and executing value-generating transactions. He holds an MBA from Saint Mary's University and a Bachelor of Science from Dalhousie University.

Risks

Operational Risk – Average
Forge Resources is entering a critical execution phase as it transitions from exploration to production at La Estrella. While the Company has a strong Colombian technical team and is not responsible for downstream transport (coal is picked up at the site), operational risks include underground extraction challenges, coal handling during bulk sampling, and potential cost creep as production scales. Meanwhile, Alotta remains early-stage and will require effective coordination of geological, geophysical, and drilling work to define a resource. While the operational team has proven experience, this dual-asset execution model introduces moderate risk.

Development Risk – Moderate
La Estrella's full permits and near-term revenue potential significantly de-risk its development. However, Alotta remains in early exploration with limited drilling to date. The Company's plan to fund Alotta using La Estrella's cash flow is capital-efficient, but success hinges on La Estrella performing to plan and Alotta yielding strong exploration results. Until a resource is defined at Alotta, Forge lacks a second anchor asset with proven economics. The Company's strategy is sound, but early-stage Yukon project execution and limited drill confirmation keep development risk at a moderate level.

Commodity Price Risk – Below Average
Forge is exposed to three commodities, coal, gold, and copper, providing natural diversification. While current coal prices are subdued, the long-term outlook for metallurgical coal (driven by steel demand) remains constructive. Alotta offers upside leverage to both copper and gold, with copper supported by electrification trends and gold by macroeconomic uncertainty. The mix of energy and precious/base metals gives Forge broader market exposure than single-commodity peers, reducing its vulnerability to volatility in any one market.

Financial & Dilution Risk – Low

Forge is well-positioned financially: it raised over $3.6M in Q1/25, has minimal debt, and expects near-term revenue from La Estrella. This structure enables internal self-funding for growth and exploration, minimizing the need for dilutive equity raises. Strong insider participation (CEO personally invested $500k; family >10%) further aligns interests. While a warrant overhang exists, dilution risk is limited if production starts as planned.

Jurisdiction Risk – Low

Both Colombia and Yukon are established mining jurisdictions. Colombia ranks as a top coal exporter (#2 export nationally), with a deep workforce, extensive infrastructure, and active government support for mining. Forge's operations benefit from existing permits, a strong local team, and longstanding relationships. Alotta operates in proximity to the world-class Casino deposit in Yukon, a politically stable and mining-friendly region. Together, these locations position Forge favourably, with lower jurisdictional risk than peers operating in Africa or frontier regions.

Disclosures

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RATING	COVERED COMPANIES
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HOLD	0
SELL	0

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