Resource Company Report: Fortuna Mining Corp.

Report Date	August 17, 2026	**Company Type**	Multi-Jurisdiction Gold / Silver Producer
Company Name	Fortuna Mining Corp. (formerly Fortuna Silver Mines)	**Stock Symbol**	FSM (NYSE) / FVI (TSX)
Operating Mines	Séguéla (Côte d’Ivoire), Lindero (Argentina), Caylloma (Peru)	**2026 Guidance**	281,000 – 305,000 gold-equivalent ounces
Q2 / H1 2026 Production	72,217 GEO / 145,089 GEO (on track)	**Q2 Free Cash Flow**	$85.7M from ongoing operations
Liquidity / Net Cash	~US$757M liquidity; ~US$435M net cash	**Growth Projects**	Séguéla Plant Expansion; Diamba Sud (Senegal) FS & construction decision
Stage	Established multi-mine producer advancing organic growth to >500 koz/yr	**CEO**	Jorge Ganoza

1. Company Overview & Investment Thesis

Fortuna Mining Corp. (NYSE: FSM; TSX: FVI) is a multi-jurisdiction gold and silver producer with three operating mines: Séguéla in Côte d’Ivoire, Lindero in Argentina, and Caylloma in Peru. The company is advancing organic growth through a Séguéla process-plant expansion and the Diamba Sud project in Senegal; together these initiatives are expected to grow annual production by approximately 60% to more than 500,000 gold-equivalent ounces. 2026 production guidance is 281,000–305,000 GEO. First-half 2026 production of 145,089 GEO keeps the company on track. Second-quarter 2026 production was 72,217 GEO, free cash flow from ongoing operations was US$85.7 million, and adjusted EBITDA was US$200.8 million (63% margin). Liquidity stood at approximately US$757 million with a net cash position of approximately US$435 million, supporting concurrent construction of the growth projects. CEO is Jorge Ganoza.

Investment Thesis: Fortuna offers exposure to a diversified West African and Latin American gold (and silver) producer with strong free-cash-flow generation, a robust balance sheet, and a clear organic growth path to more than 500,000 GEO per year via the Séguéla expansion and Diamba Sud. Key risks include multi-jurisdictional operating risk (particularly Argentina macro factors), cost inflation and royalty pressure linked to gold prices, execution on the growth projects, and gold-price volatility. Relative to pure explorers or single-asset developers, FSM ranks lower risk as an established multi-mine producer with net cash and free cash flow; residual jurisdictional and project-execution risks remain material.

2. Mining and Development Projects

Fortuna’s production and cash flow are generated from three operating mines. Near-term growth is driven by the Séguéla plant expansion and the Diamba Sud project.

2.1 Séguéla (Côte d’Ivoire) & Lindero (Argentina)

Location / Ownership	Séguéla: Côte d’Ivoire – open-pit gold mine and process plant; 100% owned. Lindero: Salta Province, Argentina – heap-leach gold mine; 100% owned
Metals / Interest	Gold (primary); Séguéla is the largest contributor; Lindero provides Latin American gold production
Status	Both producing and on track for 2026 guidance. Séguéla Q2 production 41,683 oz Au (H1 83,699 oz); guidance 160–170 koz. Lindero Q2 production 20,829 oz Au (H1 42,374 oz); guidance 92–102 koz. Key capital projects at Lindero (including primary crusher foundation replacement) largely completed; AISC expected to trend lower in H2
Key Metrics / Work	Séguéla process-plant expansion studies completed; construction decision taken; expansion would lift capacity to ~2.3 Mtpa (capex ~US$100M). Sunbird Underground Project approved (US$48M budget) and permitting advancing. Lindero has placed ~95% of the ounces required for the midpoint of 2026 guidance. Q2 consolidated cash cost ~US$1,034/GEO; AISC ~US$2,157/GEO (expected peak for the year)
Notes	Séguéla is the flagship West African asset and the primary growth platform. Lindero is a steady gold contributor whose cost profile is expected to improve after completion of one-time capital work
Outlook / Catalysts	Séguéla plant expansion construction progress; Sunbird underground advancement; Lindero cost normalization in H2 2026

2.2 Caylloma (Peru) & Diamba Sud (Senegal)

Location / Ownership	Caylloma: Arequipa, Peru – underground polymetallic mine (silver, lead, zinc, gold credits); 100% owned. Diamba Sud: Senegal – advanced gold development project; Feasibility Study delivered; construction decision advancing
Metals / Interest	Caylloma: silver, lead, zinc and gold. Diamba Sud: gold
Status	Caylloma producing; Q2 9,705 GEO; H1 19,016 GEO; 2026 guidance 29–33 koz GEO; tailings facility expansion continuing. Diamba Sud: FS delivered; environmental approvals obtained; construction decision progressing; together with Séguéla expansion expected to lift annual production by ~60% to >500 koz
Key Metrics / Work	Caylloma provides diversification and silver exposure. Diamba Sud is the next major greenfield growth asset in West Africa and is expected to be funded from the company's strong balance sheet and free cash flow
Notes	Caylloma is a stable, lower-contribution asset. Diamba Sud is the principal longer-term growth catalyst alongside the Séguéla expansion
Outlook / Catalysts	Caylloma delivery of guidance; Diamba Sud construction decision and subsequent development milestones

The combination of Séguéla (including the plant expansion and Sunbird underground), Lindero, Caylloma and Diamba Sud underpins both the 2026 guidance range and the medium-term target of more than 500,000 GEO per year. The strong net-cash position supports concurrent funding of the growth projects.

3. Exploration & Development Activity

Near-term activity is focused on delivering the 2026 production guidance, completing residual capital work at Lindero so that AISC trends lower in the second half, advancing the Séguéla plant expansion following the construction decision, progressing the Sunbird underground project, and moving Diamba Sud from Feasibility Study into construction. Success metrics are on-guidance production, cost normalization, and measurable progress on the two major growth projects that support the >500 koz target.

4. Management and Board of Directors

Management

Name	Title	Notes	Experience / Focus
Jorge Ganoza	President & CEO	Leadership	Overall strategy, multi-jurisdiction operations, growth projects and capital allocation
Operations / technical team	Operations & projects	Technical	Séguéla, Lindero, Caylloma performance and Séguéla/Diamba Sud development
Corporate team	Finance & administration	Support	Treasury, reporting, liquidity management and capital returns

Board of Directors

Name / Group	Role	Key Background
Board (collective)	Governance	Oversight of multi-jurisdiction strategy, growth projects, capital allocation and risk
Independent directors	Oversight	Mining, finance and capital-markets experience

5. Financial Information

Fortuna is an established multi-mine producer with a strong balance sheet. Second-quarter 2026 free cash flow from ongoing operations was US$85.7 million and adjusted EBITDA was US$200.8 million (63% margin). Liquidity was approximately US$757 million with a net cash position of approximately US$435 million at quarter end. 2026 production guidance is 281,000–305,000 GEO. Consolidated Q2 cash cost was approximately US$1,034 per GEO and AISC approximately US$2,157 per GEO (expected to be the peak for the year, with a downward trend in the second half). Exact current cash, debt and liquidity metrics should be confirmed from the latest financial statements. The balance sheet supports concurrent funding of the Séguéla plant expansion and Diamba Sud.

Project / Corporate Summary

Line Item	Amount / Notes
2026 GEO Production Guidance	281,000 – 305,000 GEO
Q2 / H1 2026 Production	72,217 / 145,089 GEO

Séguéla / Lindero / Caylloma 2026 Guidance	160–170 / 92–102 / 29–33 koz GEO
Q2 Free Cash Flow (ongoing ops)	US$85.7 million
Liquidity / Net Cash (approx.)	~US$757M / ~US$435M
Growth Target	>500,000 GEO/yr via Séguéla expansion + Diamba Sud

Corporate Summary

Item	Value / Notes
Primary listings	NYSE (FSM) / TSX (FVI)
CEO	Jorge Ganoza
Strategy	Deliver 2026 guidance; fund Séguéla expansion and Diamba Sud to reach >500 koz GEO

6. Company Valuation

Fortuna trades as a mid-tier multi-jurisdiction gold (and silver) producer. Valuation is supported by current production from Séguéla, Lindero and Caylloma, strong free-cash-flow generation, a net-cash balance sheet, and the organic growth pipeline (Séguéla plant expansion and Diamba Sud) that targets more than 500,000 GEO per year. Relative valuation should consider peer intermediate gold producers and the prevailing gold price.

Discounted NPV discussion: A practical framework values the cash-flow streams from the three operating mines at risk-adjusted discount rates based on guided production and costs, then adds risk-adjusted values for the Séguéla expansion and Diamba Sud and net cash. Key sensitivities are the gold price, Argentine macroeconomic and cost factors, delivery of the growth projects on schedule and budget, and royalty/cost inflation. Progress on the Séguéla expansion and Diamba Sud construction decision are the primary near-term valuation catalysts.

Merger & Acquisition Activity

Fortuna is focused on organic growth through the Séguéla plant expansion and Diamba Sud while generating free cash flow from its existing mines. No formal public takeover offer for the company has been announced. As a multi-mine producer with a strong balance sheet and a clear path to more than 500,000 GEO, the company could attract strategic interest over time from larger gold producers seeking West African and Latin American exposure, while management continues to execute the independent growth plan.

7. Risks

- Multi-jurisdictional operating and political risk (Côte d'Ivoire, Argentina, Peru, Senegal).
- Argentine macroeconomic, inflation, currency and cost pressures at Lindero.
- Gold-price volatility and gold-price-linked royalty increases.
- Execution, schedule and capital-cost risk on the Séguéla plant expansion and Diamba Sud.
- Cost inflation (fuel, labour, consumables) and AISC performance.
- Operational and safety risks across open-pit and underground mines.
- Permitting and community risks on growth projects.
- General mining, environmental and social risks.

8. Comparative Risk Analysis

On a relative-risk scale of 1 to 7 (1 = lowest risk, 7 = highest risk) versus other junior and intermediate mining companies, Fortuna Mining is ranked **3**. The ranking reflects moderate relative risk: an established multi-mine gold and silver producer with operations in West Africa and Latin America, strong free-cash-flow generation (Q2 free cash flow from ongoing operations US$85.7 million), a robust net-cash balance sheet (approximately US$435 million net cash and US$757 million liquidity), and a clear organic growth path to more than 500,000 GEO via the Séguéla expansion and Diamba Sud, offset by residual multi-jurisdictional risk (particularly Argentine macro factors) and project-execution risk on the growth pipeline. Positive factors include the diversified production base, high EBITDA margins, the construction decision on the Séguéla plant expansion, and the ability to fund growth from internal cash flow and the existing balance sheet. Offsetting factors are cost and royalty pressure linked to gold prices, Argentine operating conditions, and the capital intensity of the growth projects. Relative to pure explorers or single-asset developers, FSM ranks substantially lower risk; relative to multi-mine senior gold producers in lower-risk jurisdictions, it ranks modestly higher risk. The net result is a risk ranking of 3.

Sources: Company Q2 2026 results, 2026 production guidance, Séguéla expansion and Diamba Sud updates, corporate presentations, and market data as of mid-August 2026.

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