



November 19, 2025

THE LONG PULL: Updated Thoughts on Magna Mining (NICU.V)

Last week, we updated our thoughts on Idaho Strategic (IDR) after its latest Paymaster drill results and Q3 earnings.

This week, we're running it back with Magna Mining (NICU) after it released an updated Mineral Resource Estimate for its Levack mine (currently on care and maintenance).

The TL;DR is that Levack has \$4.5B in-situ value of high-grade, production-ready ore in a Tier-1 jurisdiction run by the same management team that developed the asset under FNX Mining. Today, the market values NICU at an 11% EV/Levack-only Resource (\$500M EV/\$4.5B in-situ) while giving \$0 value to its other assets.

Put simply: Levack is a beast and the market isn't giving NICU credit for it ... yet.

Let's explore the significance of the updated MRE and what it means for NICU's valuation and future cash flows.

Levack Updated Mineral Resource Estimate (MRE)

The resource includes two deposits: **footwall** and **contact**.

A quick geology lesson ... a **footwall** describes the rock mass that lies **beneath** an inclined fault plane or mineral deposit/intrusion. A **contact** deposit occurs **directly at the geological contact** or boundary between two different rock units.

The footwall deposit hosts 178Kt of indicated resources at 15.5% CuEq (9.1% Cu) and 368Kt of inferred resources at 9.35% CuEq (5.4% Cu) for a total of **546Kt of 11.36% CuEq ore (or 7% NiEq)**.

You can see the mineral breakdown below. Note the PGM + precious metals grades (1.53g/t gold would make a good open-pit gold mine).

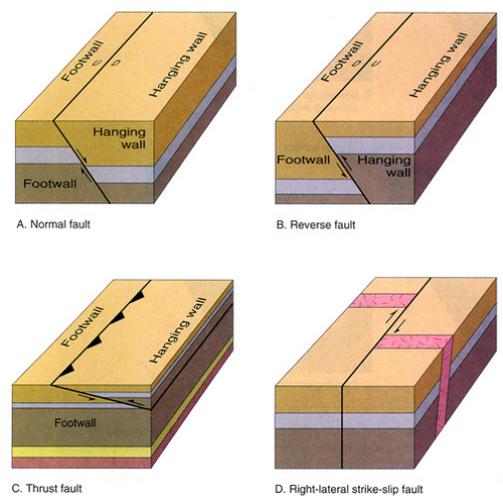


FIGURE 14.11
Four types of faults are illustrated in these block diagrams. If the fault plane is inclined, the side above the fault is the hanging wall, and the side below is the footwall. Displaced marker beds show the direction of movement. Note that in a map view, shown by the top surfaces of A, B, and C, the faults dip under the hanging wall.

Table 3: Levack Mineral Resource Estimate¹ - Footwall Zones, August 31, 2025

Deposit Type	Zone	Category	Cut-off Grade	Short Tons	Metric Tonnes	Cu %	Ni %	Co %	Pt (g/tonne)	Pd (g/tonne)	Au (g/tonne)	Ag (g/tonne)	CuEq %
Footwall	Keel	Indicated	2.50% CuEq	-	-								
Footwall	Morrison	Indicated	2.50% CuEq	197,000	178,000	9.06	2.37	0.02	3.60	6.58	1.56	34.15	15.52
Footwall	No.3 FW	Indicated	2.50% CuEq	-	-								
	Total	Indicated	2.50% CuEq	197,000	178,000	9.06	2.37	0.02	3.60	6.58	1.56	34.15	15.52
Footwall	Keel	Inferred	2.50% CuEq	229,000	208,000	4.36	0.48	0.01	1.41	1.88	1.10	17.74	6.44
Footwall	Morrison	Inferred	2.50% CuEq	93,000	85,000	8.83	1.47	0.01	2.16	4.87	1.20	20.67	12.88
Footwall	No.3 FW	Inferred	2.50% CuEq	83,000	76,000	4.49	0.68	0.01	7.86	15.66	3.08	30.32	13.36
	Total	Inferred	2.50% CuEq	406,000	368,000	5.42	0.75	0.01	2.91	5.40	1.53	21.00	9.35

The contact zone hosts an indicated resource of **5.93Mt at 3.18% CuEq** (0.89% Cu and 1.41% Ni) and an inferred resource of **4.97Mt at 3.15% CuEq** (0.87% Cu and 1.46% Ni).

Combined, Levack hosts **11.3Mt of 3.56% CuEq or 2.19% NiEq ore** in a Tier-1 jurisdiction, near existing infrastructure, with a pathway to restart production within the next 12-18 months.

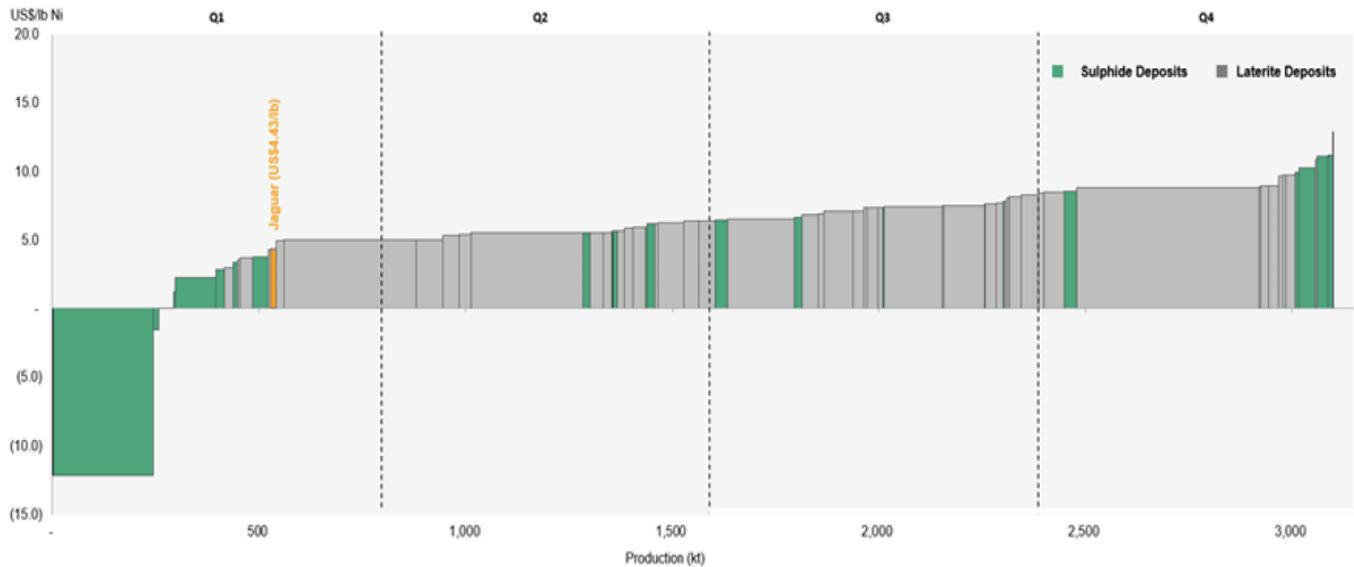
In-Situ Value: Levack’s Leverage to Nickel Prices

Here’s an in-situ value calculation on Levack using today’s metals prices.

Metals	Tonnage (lb/oz)	Price	In-Situ	% of In-Situ
Copper	261,000,000	\$5	\$1,305,000,000	28.62%
Nickel	321,600,000	\$7	\$2,331,600,000	51.14%
Platinum	204,600	\$1,558	\$318,766,800	6.99%
Palladium	271,500	\$1,380	\$374,670,000	8.22%
Gold	48,200	\$4,000	\$192,800,000	4.23%
Silver	736,500	\$50	\$36,825,000	0.81%
		Total In-Situ	\$4,559,661,800	

Nickel accounts for 51% of Levack’s total in-situ value, implying significant torque to higher nickel prices. And that’s a good thing. Check out the nickel cost curve chart below (via Paulo Macro/Jaguar Mining).

NICKEL SUPPLY COST CURVE



According to Paulo Macro, 40%+ of nickel producers are losing money at current nickel prices. And it’s probably higher than that as Indonesia subsidizes low-grade deposits and exports money-losing nickel to retain supply dominance.

Here’s a snippet from [Paulo’s nickel deep dive](#) (emphasis mine):

“This is an unsustainable condition for any industry. Indonesia’s supply growth has been such a disaster for the global nickel industry that output outside China and Indonesia is the lowest since 1990, and half of the world’s nickel production has shut down over the past three years.”

What if nickel normalizes around \$10-12/lb over the next 12-18 months? Here’s what it would do to Levack’s in-situ value.

Metals	Tonnage (lb/oz)	Price	In-Situ	% of In-Situ
Copper	261,000,000	\$5	\$1,305,000,000	22.63%
Nickel (normalized)	321,600,000	\$11	\$3,537,600,000	61.36%
Platinum	204,600	\$1,558	\$318,766,800	5.53%
Palladium	271,500	\$1,380	\$374,670,000	6.50%
Gold	48,200	\$4,000	\$192,800,000	3.34%
Silver	736,500	\$50	\$36,825,000	0.64%
		Total In-Situ	\$5,765,661,800	

A normalized nickel price environment **adds ~\$1.3B in in-situ value** to Levack's deposit, at which point NICU would trade <10% EV/Resource on *just Levack*.

Here's the crazy part. You can argue that NICU is a buy today based **solely on its Levack property**. Let me explain.

Buy Levack, Get The Rest For Free!

Suppose NICU owns Levack as its only asset. We can value the company based on Levack's **expected cash flow potential** and **relative valuation** versus peer transaction multiples.

Let's start with cash flows. Here are my assumptions:

- **Average annual throughput:** 300Kt/year (historical average for Levack before shutdown)
- **Nickel price:** \$11/lb (assuming we reach normalized pricing)
- **Copper price:** \$5/lb (probably trough pricing over the next 18-24 months)
- **OPEX:** \$110/t (Sudbury underground analog)
- **Smelter/Treatment Charges:** \$0.55/lb nickel and \$0.18/lb copper
- **Sustaining Capex:** \$20M (rough estimate)

Which produces:

- \$103M in revenue
- \$33M in OPEX
- \$4.67M in Smelting/Treatment charges
- \$20M sustaining CAPEX

➤ **\$45M in pre-tax cash flow**

That means you can pay ~10x normalized Levack cash flow and get:

- PGM/precious metals revenue
- Potential production upside
- Crean Hill
- McCreedy West
- Shakespeare
- Podolsky

For free.

But it gets better. We know that Levack will mine its PGMs and precious metals at today's prices. That adds \$30-40M/year in revenue, assuming a ~25-30% revenue share for PGMs at Levack footwall grades. And that revenue flows straight to the bottom line as profit, giving **Levack ~\$80M in pre-tax annual profits.**

What was 10x cash flow becomes **6.25x cash flow.** Again, that's *just* for Levack.

We can check our above math by using peer multiple transactions on an EV/CuEq per-lb basis:

- Total tons: 11.27M
- CuEq Grade: 3.56%
- Total contained copper tons: 401.2K
- Total contained copper pounds: 884M

At the current \$460M EV, NICU trades at **\$0.52/lb of Levack-only CuEq.** Now look at some of the comparable EV/lb CuEq valuations of its peer deposits (see below).

Deposit / Company	Stage	Jurisdiction	Typical EV/lb CuEq Range	How They Compare to Levack
Magna – Levack	Restart / Dev	Sudbury	\$0.52/lb CuEq	You are here
Talon – Tamarack	Feasibility	USA	\$0.90 – \$1.40/lb CuEq	2x–3x Levack
Eagle’s Nest (Wyloo)	Feasibility	Ontario	\$0.80 – \$1.20/lb CuEq	1.5x–2.5x Levack
Nova-Bollinger (IGO)	Producing	Australia	\$1.20 – \$1.80/lb CuEq	2x–4x Levack
Raglan (Glencore)	Producing	Quebec	\$1.40 – \$2.20/lb CuEq	3x–5x Levack
Voisey’s Bay (Vale)	World-class	Newfoundland	\$3.50 – \$5.50/lb CuEq	7x–10x Levack
Kabanga (BHP)	Feasibility	Tanzania	\$1.00 – \$1.60/lb CuEq	2x–3x Levack
Dumont (low-grade)	Feasibility	Quebec	\$0.05 – \$0.15/lb CuEq	Lower-grade outlier

Talon is 2-3x Levack’s valuation. IGO’s Nova-Bollinger is valued ~3x higher than Levack, and Vale’s purchase of Voisey’s Bay (one of the largest nickel deposits ever) was 8x Levack’s current valuation.

Levack is the cheapest Tier-1 underground Cu-Ni-PGM asset on a CuEq basis of its peer group ... and none of that valuation includes NICU’s other assets!

I can’t overemphasize this point enough. NICU trades at a 50% discount to comparable high-grade underground projects in a Tier-1 jurisdiction, based on **just one of its assets**.

How NICU Becomes A \$2B Business

It’s hard to see a \$2B market cap on a \$500M EV company, but the math isn’t as complex.

Start with Levack. It’s trading at a 50% discount to peers. Assume that the market values the deposit at its peer group once into production (you can argue that Levack should be worth >100% of its peer group given management, jurisdiction, grade, proximity to infrastructure, etc.).

That means Levack would be worth **\$1/lb CuEq or ~\$900M**.

Now, subtract \$900M from \$2B and you get \$1.1B, or what we need to fill to reach our \$2B market cap target.

The question you must ask yourself is, “*is NICU’s remaining collection of assets worth at least \$1.1B?*” That collection includes:

- **Producing McCreedy West mine**
- **Past producing Podolsky mine**
- **Crean Hill**
- **Shakespeare (permits to build own mill)**
- **Potential discoveries from any deposit (i.e., Rob 2 Zone)**

My answer is yes.

Many Ways To Win With NICU

NICU is too cheap and could exceed a \$2B market cap in a normalized nickel pricing environment. A \$4/lb increase in nickel prices would add \$1.3B in in-situ value to Levack and billions to its other deposits.

The company can easily increase nickel production as prices improve while generating high revenue and cash flows from its copper/PGM/precious metals ore.

Everyone knows the copper bull story. But nobody’s paying attention to the nickel market. It’s the Sleeping Giant in NICU’s bull thesis.

I’m working on an extensive nickel report that explores every producing nickel mine globally to determine supply conditions and potential future supply shocks. Expect that report in the coming weeks.

Your Value Operator,

Brandon