POSCHEVALE
SECURITIES • RESEARCH

June 2025

Supernova Metals Corp.

CNSX: SUPR
DB: A1S

Rating: BUY
Target: C$2.20

Market Cap +/- $15M	Outstanding Shares: ~53.33 M	2025 Range: 0.17-0.48	CEO: Mason Granger

Highlight - Orange Basin

Supernova Metals Corp. soon to be renamed **Oregen Energy Corp**. is a Canadian exploration company that has strategically shifted its focus toward offshore oil exploration in Namibia's Orange Basin—**one of the world's most promising emerging energy frontiers**. In January 2025, Supernova entered the basin by acquiring NamLith Resources Corp., securing an initial 8.75% indirect working interest in Block 2712A through a 12.5% equity stake in WestOil Ltd., which holds a 70% interest in the block. This acquisition marked the company's **first step into a region gaining global attention following multiple high-impact discoveries by industry leaders such as TotalEnergies and Shell**.

Building on this momentum, Supernova **initiated a National Instrument 51-101 technical report in February 2025 to** assess Block 2712A's resource potential and in **May 2025 they have announced that this report has been completed**. In May 2025, the company also announced a definitive share exchange agreement to **acquire an additional 36.0% equity interest in WestOil** through the acquisition of Oranam Energy Limited, significantly strengthening its position. Upon completion, this transaction will **raise Supernova's total indirect working interest in Block 2712A to 33.95%, and notably, provide operatorship of both WestOil and the block itself**. The acquisition will be finalized through a combination of a USD $1.8 million cash payment and the issuance of 22 million Supernova shares.

With this expanded stake, **Supernova is emerging as a major player in the Orange Basin**, aligning with its strategy to capitalize on high-potential offshore oil opportunities. The region, often **compared to early-stage Guyana**, is **estimated to hold up to 20 billion barrels of offshore reserves and is drawing accelerated investment due to its favourable geology, deepwater potential, and Namibia's political stability—positioning it as a new frontier in the global energy landscape**.

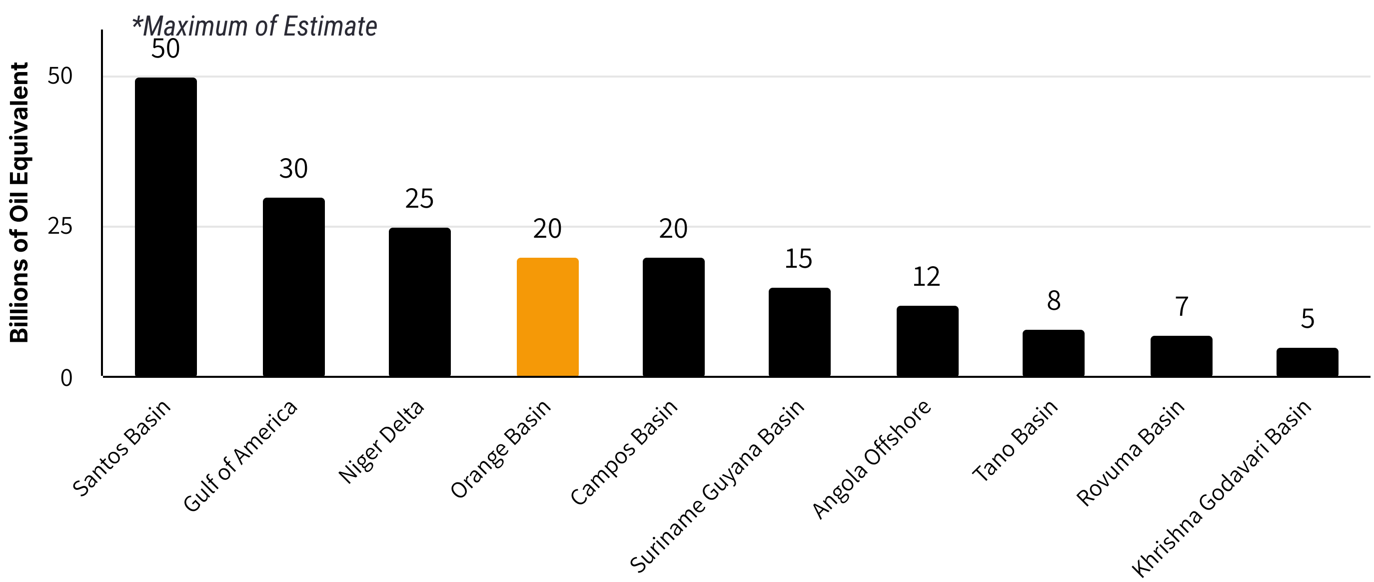
Notes:

- CEO 20+ yrs experience in energy sector
- Chevron/ExxonMobil recently entered basin
- Multiple successful wells by Shell in area
- Completed 51-101 compliant report

★ **80% exploration success rate in basin, with 10 discoveries from 12 wells drilled since 2022**

- Progressing seismic data interpretation
- Close to major discoveries-Shell, TotalEnergies +
- Acquired an additional 36% in WestOil Ltd.
- Rare earth claims in Labrador, Canada

Deepwater Basin Comparison



BOE, or Barrel of Oil Equivalent, is a standardized unit used in the oil and gas industry to combine different types of energy resources—such as crude oil, natural gas, and natural gas liquids—into a single comparable measure. One BOE represents the amount of energy equivalent to one barrel of crude oil, typically equal to 5,800 cubic feet of natural gas. This unit helps companies report and compare total energy production or reserves across mixed resource portfolios in a consistent way, regardless of the specific type of hydrocarbon.

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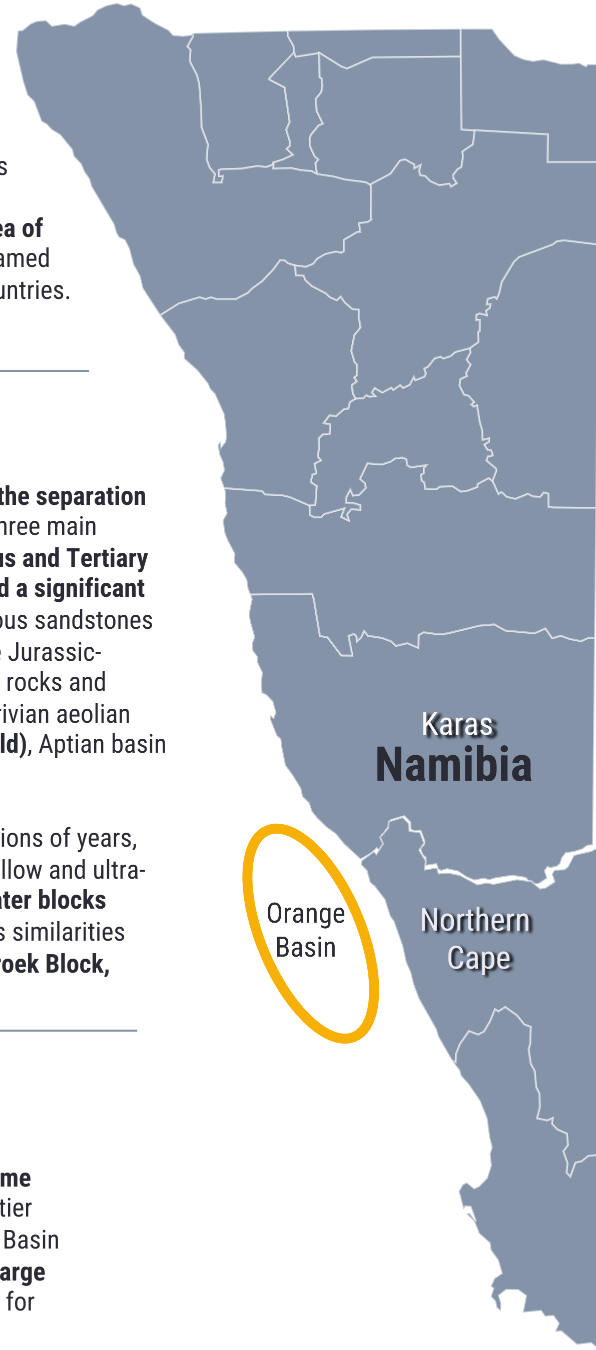

Geography

The Orange Basin is a **vast offshore sedimentary basin** located along the southwestern coast of Africa, straddling the maritime borders of Namibia's Karas region and South Africa's Northern Cape Province. Geographically, it stretches from southern Namibia into the northern offshore regions of South Africa, **covering an area of over 160,000 square kilometers**. The basin lies beneath the Atlantic Ocean and is named after the nearby Orange River, which forms part of the boundary between the two countries.

Geology

Namibia's offshore basins were formed in a **passive volcanic margin setting during the separation of the African and South American plates**. The Orange Basin has been divided into three main tectonic megasequences: **syn-rift, transition, and post-rift containing the Cretaceous and Tertiary megasequences**. The first Namibian offshore exploration well, Kudu 9A-1, **discovered a significant hydrocarbon accumulation of gas reserves** between 1.3 and 3 TCF in lower Cretaceous sandstones intercalated with volcanic layers. Potential source rocks have been identified as Late Jurassic-Neocomian lacustrine source rocks, Barremian-Early Aptian restricted marine source rocks and marine Cenomanian-Turonian source rocks. The reservoirs include Barremian-Hauterivian aeolian sandstones intercalated with volcaniclastics and **shaly limestones (the Kudu gas field)**, Aptian basin floor fans, and marginal marine/fluvial sand deposits within the syn-rift section.

The basin's geology is characterized by thick sedimentary layers, deposited over millions of years, which create **favorable conditions for oil and gas accumulation**. It includes both shallow and ultra-deepwater zones, with some of the **most promising discoveries occurring in deepwater blocks located 250–300 kilometers offshore Namibia**. Structurally, the Orange Basin shares similarities with other successful offshore regions like Brazil's **Santos Basin and Guyana's Stabroek Block, contributing to its growing reputation as a global exploration hotspot**.

Basin Comparison

Namibia's Orange Basin shares several geological and strategic **similarities with some of the world's most prominent offshore oil basins**, making it a highly attractive frontier for exploration. Like Brazil's Santos Basin and Guyana's Stabroek Block, the Orange Basin features a deepwater environment with thick sedimentary sequences **conducive to large hydrocarbon traps**. All three basins are transform margin settings, which are known for complex faulting and prolific oil discoveries.

In addition, early seismic data and drilling results in the Orange Basin—such as those from Shell's Graff-1 and TotalEnergies' Venus-1X—**mirror the early-stage successes seen in Guyana**, where **initial skepticism quickly turned into one of the world's fastest-growing oil provinces**. The Orange Basin also **benefits from favourable fiscal regimes, growing international operator interest, and political stability, drawing direct comparisons to these now world-class basins.**

Guyana transitioned from a non-oil-producing nation to a fast-growing oil exporter in less than a decade, significantly transforming its economic outlook. The country's **low breakeven costs, stable political environment, and investor-friendly fiscal regime** have further **solidified its status as a top-tier exploration hotspot, often referenced as a model for new frontiers like Namibia's Orange Basin**.

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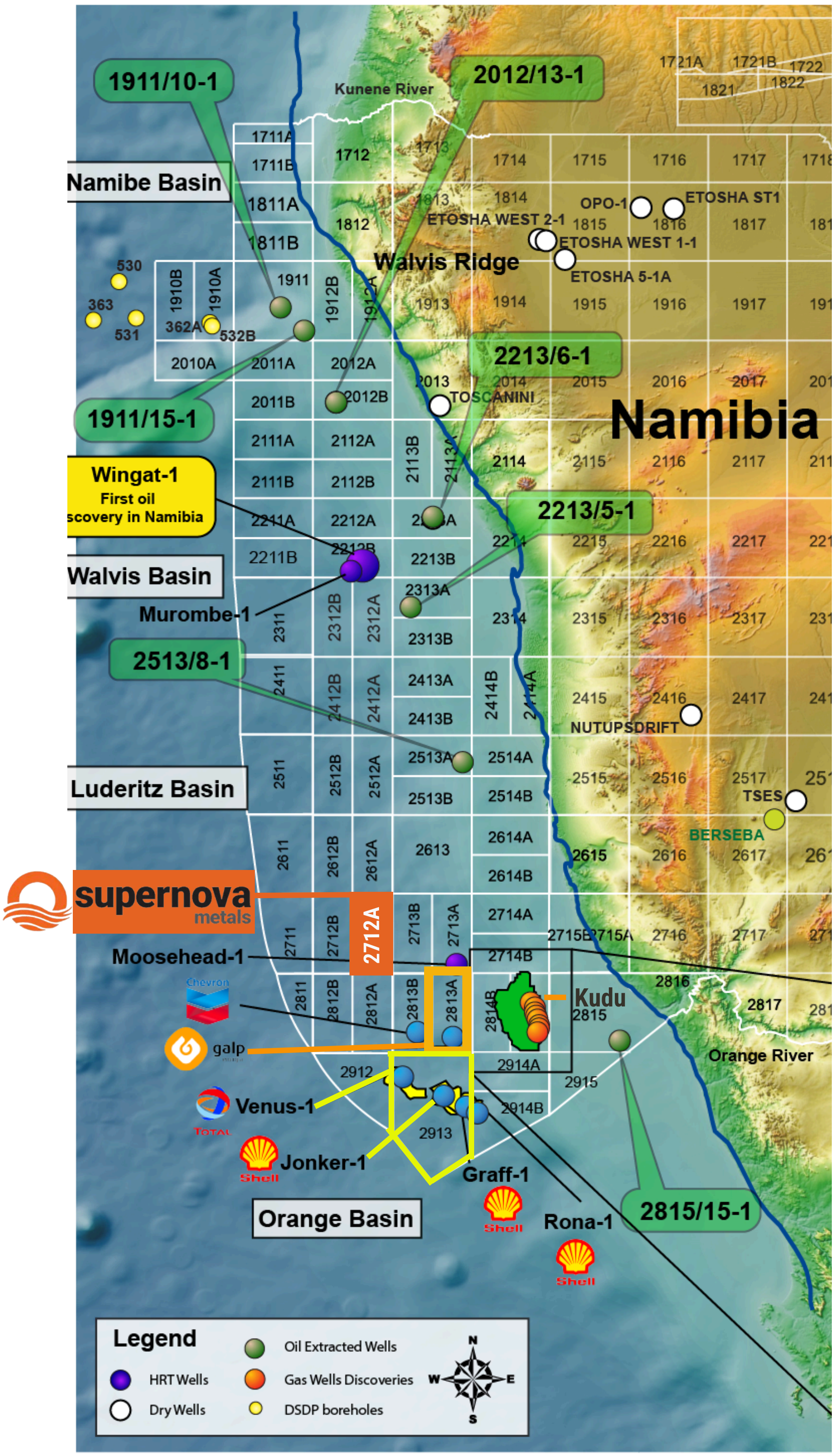
Closeology



Supernova Metals' Block 2712A is strategically positioned in Namibia's Orange Basin, **adjacent to major discoveries by industry leaders such as Shell, TotalEnergies, and Galp Energia**. This proximity places Supernova at the heart of **one of the world's most active offshore oil exploration regions**, enhancing the potential value of its assets. The surrounding successes, including Shell's Graff and Jonker finds, TotalEnergies' Venus discovery, and Galp's Mopane complex, underscore the basin's **rich hydrocarbon prospects**. Supernova's location amidst these significant developments not only **de-risks its exploration efforts but also positions it favourably for potential partnerships and investments** in the burgeoning Orange Basin oil frontier.

The Moosehead-1 well, drilled in 2013, was an important early test in Namibia's Orange Basin. While it didn't find commercial oil, it confirmed the presence of mature source rock (Kudu Shale) and provided key geological data that helped guide later major discoveries like Venus and Graff.

Supernova's Block

- Block 2712A lies , just off the Namibian coast.
- It's adjacent to Galp's PEL 83 (Mopane) and north of Shell's Graff/Jonker cluster.

Significant Discoveries

- **Galp Energia's Mopane Discovery**: Galp estimates that the Mopane complex holds up to **10 billion barrels of oil equivalent (BOE)** in place, marking it as **one of the largest offshore finds globally**.
- **TotalEnergies' Venus-1X Discovery**: The Venus-1X prospect in Block 2913B is estimated to contain approximately **5.1 billion BOE, making it Sub-Saharan Africa's largest oil discovery to date**.
- **Shell's Discoveries:** Shell's exploration efforts have led to multiple significant finds, including the **Graff-1X, La Rona, Jonker-1X, and Lesedi-1X wells**. Collectively, these are estimated to hold around **5 billion BOE**.
- **Kudu gas field** is one of Namibia's earliest and most significant offshore hydrocarbon discoveries. The field was discovered in 1974 by Chevron and contains an estimated 1.3 to 3 trillion cubic feet (TCF) of natural gas.

Exploration Summary

The Orange Basin has experienced **significant exploration activity since 2022**, driven by major discoveries from companies like Shell, TotalEnergies, and Galp Energia. However, **no outright acquisitions of junior oil companies by majors have been documented**. Instead, the **focus has been on farm-in deals, joint ventures (JVs), and direct licenses, where juniors typically retain minority interests or farm out portions of their stakes**. Below is a summarized overview of key activities.

Galp Energia's Mopane Farm-Out (PEL 83)

- **Details:** Galp Energia, a mid-tier operator with an 80% interest in PEL 83, announced discoveries at Mopane-1X and Mopane-2A in 2024, estimating 10 billion BOE in-place (2–3 billion BOE recoverable). Galp plans to sell 50% of its stake to a partner in 2025, reducing its exposure while retaining ~40% as operator.
- **Partners and Structure:** Custos Energy (10%) and NAMCOR (10%, carried) are junior partners in a JV under a Joint Operating Agreement (JOA). Galp's sale is a farm-out, not a full acquisition.
- **Retention:** Custos and NAMCOR retain their 10% interests, with no royalties mentioned beyond Namibia's 5% government royalty.
- **Relevance:** Highlights juniors retaining minority stakes in farm-outs, not exiting fully
- **Classification:** JV (current structure with Custos and NAMCOR) + Farm-Out (Galp's planned 50% sale).

TotalEnergies' Stake Increase (PEL 56, Blocks 2913B and 2912)

- **Details:** In January 2024, TotalEnergies acquired an additional 10.5% interest in Block 2913B (Venus discovery, ~3B BOE recoverable) and 9.39% in Block 2912 from Impact Oil and Gas, a junior with a 20% stake in PEL 56.
- **Partners and Structure:** A farm-in within a JV framework. TotalEnergies operates, with QatarEnergy (30%) and NAMCOR (10%, carried) as partners. The transaction value wasn't disclosed.
- **Retention:** Impact retained 9.5% in Block 2913B and likely a reduced stake in Block 2912, possibly with carried interest; no royalties mentioned.
- **Relevance:** Demonstrates majors acquiring partial stakes from juniors, with juniors retaining minority interests, consistent with farm-out patterns in the basin.
- **Classification:** Farm-Out (TotalEnergies' acquisition of 10.5%) within a JV framework.

Shell's Acquisition from Signet Petroleum (PEL 39, Blocks 2913A/2914B)

- **Details:** In 2014, Shell acquired Blocks 2913A and 2914B from Signet Petroleum, a junior, becoming the operator. The Graff discovery (~1.5B BOE recoverable) followed years later.
- **Partners and Structure:** Transaction details (value, terms) are unavailable. Likely a farm-out or full asset sale, with Shell taking operational control.
- **Retention:** No information on Signet's retained interest or royalties; likely a full exit or small carried interest, given the early stage (pre-discovery).
- **Relevance:** A potential full acquisition
- **Classification:** Farm-Out or Asset Sale

Exploration Summary

Chevron (PEL 82, Blocks 2312 and 2412)

- **Details:** Chevron secured an 80% working interest in PEL 82 through a direct license in 2023, awarded during Namibia's open-door licensing round to attract investment post-discovery (e.g., Venus, Graff).
- **Partners and Structure:** NAMCOR (10%, carried) and Monitor Exploration Namibia (10%, likely carried) are partners in a JV under a JOA, with Chevron as operator.
- **Retention:** NAMCOR and Monitor retain 10% each, with no royalties beyond the 5% government royalty.
- **Relevance:** Shows direct licenses as an entry method, with juniors retaining carried interests
- **Classification:** Direct License within a JV framework.

ExxonMobil (PEL 87, Block 2813B)

- **Details:** ExxonMobil acquired a 45% working interest in PEL 87 via a farm-in from Azinam Limited in 2023, taking over as operator.
- **Partners and Structure:** Azinam retained 10%, NAMCOR holds 10% (carried), and other partners hold the remaining 45%, forming a farm-in within a JV.
- **Retention:** Azinam's 10% likely includes a carry for exploration costs; NAMCOR's 10% is carried; no additional royalties noted.
- **Relevance:** Reflects majors' interest in the basin through farm-ins, with juniors retaining minority stakes
- **Classification:** Farm-Out within a JV framework.

Eni (PEL 100, Capricornus 1-X Prospect)

- **Details:** Eni acquired a 42.5% working interest in PEL 100 through a farm-in from Rhino Resources in 2024, becoming the operator.
- **Partners and Structure:** Rhino Resources retained 15% (likely carried), NAMCOR holds 10% (carried), and a local partner holds ~32.5%, in a farm-in within a JV.
- **Retention:** Rhino's 15% and NAMCOR's 10% are retained interests, with no royalties beyond the 5% government royalty.
- **Relevance:** Reinforces the pattern of juniors retaining 10–15% stakes in farm-ins
- **Classification:** Farm-Out within a JV framework.

The Orange Basin's exploration landscape since 2022 reveals a **strategic preference for collaborative models over outright acquisitions**, with majors like Chevron, ExxonMobil, and Eni opting for farm-ins and direct licenses to share risks while leveraging the basin's **80% success rate**. Juniors such as Custos, Azinam, and Rhino **consistently retain 10–15% interests, often carried, reflecting a balanced approach to risk and reward in this high-potential frontier**. The absence of additional royalties beyond the 5% government royalty underscores Namibia's **attractive fiscal regime**, **encouraging investment while ensuring state participation through NAMCOR**. As exploration progresses—evidenced by upcoming drilling in PEL 82, PEL 87, and PEL 100 through 2025–2026—the basin is **poised to solidify its status as a global hydrocarbon hub**, **potentially attracting more majors and driving further farm-in activity, appraisal, and eventual production.**

Catalysts

The catalysts presented are hypothetical in nature and are intended solely for illustrative or informational purposes. They are based on forward-looking assumptions and do not represent factual statements, guarantees, or projections by the company. These potential catalysts are not endorsed or confirmed by Supernova Metals and should not be interpreted as official company guidance or commitments. Any mention of future plans, milestones, or exploration outcomes reflects speculative analysis only, and should not be relied upon for investment decisions.

Seismic Data Results:

- Supernova is funding seismic surveys in PEL 107. Positive seismic data identifying drillable prospects could confirm the 200 BOE resource estimate, boosting investor confidence and stock price.
- **Impact:** A clear prospect could re-rate the stock closer to Sintana's C$1.08/share (post-Mopane discovery), potentially doubling Supernova's price to ~C$0.88

First Well Spud and Drilling Results:

- Drilling is planned for 2026–2027, targeting the 80% success rate. A discovery announcement (e.g., confirming 150M BOE or more) would significantly de-risk PEL 107, attracting majors for a farm-in or buyout.
- **Impact:** A discovery could push the stock toward C$1.50–$2.00, aligning with the DCF value (C$3.37) as buyout speculation intensifies

Strategic Partnership for Drilling Program

- Supernova could partner with a major or mid-tier oil company to co-fund and execute a drilling program on Block 2712A, with the partner covering $30–$50M of drilling costs for a 10–20% stake in Supernova's 48.5% interest. This aligns with Orange Basin farm-ins (e.g., TotalEnergies, Chevron), leveraging Supernova's operatorship to reduce financial risk and accelerate drilling.
- **Impact:** The partnership could boost the stock price by C$0.40–$0.60 to C$0.88–$1.08, reflecting lower CapEx, validated potential, and market confidence. It may increase the EV/Resource multiple to $0.90–$1.00/BOE, raising the fair value to C$2.50–$2.80.

Regional Discoveries and M&A Activity:

- Ongoing drilling by majors (e.g., Chevron in PEL 82, ExxonMobil in PEL 87, Eni in PEL 100) could yield new discoveries, further validating the Orange Basin's potential and driving interest in PEL 107.
- Farm-ins or acquisitions (e.g., similar to TotalEnergies/Impact Oil and Gas) could set higher buyout multiples (e.g., $7–$10/BOE), pushing Supernova's fair value above C$2.03.
- **Impact:** A regional discovery could add C$0.50–$1.00 to the stock price, while a higher buyout multiple could increase the fair value to C$2.50–$3.00

Buyout Announcement:

- The ultimate catalyst is a buyout at $6/BOE (or higher). A successful exploration program proving 150M BOE would make PEL 107 a prime target for majors, yielding $392.85M for 90% of the stake.
- **Impact:** A buyout announcement could drive the stock to C$2.03 or higher, especially if the multiple exceeds $6/BOE (e.g., $8/BOE → C$2.71 fair value)

Partnership or Farm-In Agreement with a Major:

- Description: Supernova could attract a major oil company (e.g., Chevron, ExxonMobil, or TotalEnergies) to farm into PEL 107 before the 2029 buyout, providing funding for exploration (e.g., $50M/year drilling costs) in exchange for a portion of its 48.5% stake (e.g., 20–30%). This would mirror Orange Basin trends, such as TotalEnergies' farm-in with Impact Oil and Gas (PEL 56) or Eni's farm-in with Rhino Resources (PEL 100).
- **Impact:** A farm-in deal would reduce Supernova's financial burden ($24.25M/year CapEx), potentially lowering dilution beyond the current 50.64M shares. It would also validate PEL 107's potential, driving the stock price toward C$1.00–$1.50 by signaling major interest and de-risking the project

Technological Advancements in Exploration:

- Description: Advances in seismic imaging or drilling technology, adopted by Supernova or its partners (e.g., WestOil), could improve the accuracy of resource estimates for PEL 107, potentially increasing the 150M BOE total estimate (72.75M BOE for Supernova). For example, AI-driven seismic interpretation, used by majors like ExxonMobil in PEL 87, could identify larger prospects.
- **Impact:** A revised resource estimate (e.g., 200M BOE total → 97M BOE for Supernova) could raise the fair value to ~C$2.71 (at $6/BOE), driving the stock price to ~C$1.50–$2.00 as exploration confidence grows

Oil Price Surge:

- Description: The valuation assumes a Brent crude price of $65/barrel (per prior assumptions). A geopolitical event or supply constraint could push oil prices to $80–$100/barrel, as seen during past crises (e.g., 2022 Ukraine conflict). This would increase buyout multiples in the Orange Basin (e.g., $8/BOE instead of $6/BOE), as majors seek to secure reserves.
- **Impact:** A higher buyout multiple ($8/BOE) would raise the fair value to C$2.71, with buyout proceeds of $523.8M (for 65.475M BOE). The stock price could surge to ~C$2.00–$2.50, reflecting increased M&A activity and market optimism.

Risks

The risks outlined are speculative in nature and intended for general informational purposes only. They do not reflect any official risk disclosures by the company and should not be interpreted as statements of fact. These points are based on forward-looking assumptions and generalized sector considerations, and may or may not apply to Supernova's actual operations or outlook. As such, they are not verified or endorsed by the company and should not be considered formal guidance or a reflection of Supernova's internal assessments or risk management strategy.

Exploration Failure:

- Despite the 80% success rate, a dry well could reduce PEL 107's resource potential below 150M BOE, lowering the buyout value (e.g., 50M BOE total → 24.25M BOE for Supernova → C$0.68 fair value).
- **Impact:** Could halve the stock price to ~C$0.20.

Oil Price Volatility:

- The valuation assumes $65/barrel (Brent crude, per prior assumptions). A drop to $50/barrel could lower buyout multiples (e.g., $4/BOE → C$1.35 fair value), as majors adjust offers for lower margins.
- **Impact:** A 20% oil price drop could cut the stock price to ~C$0.30

Buyout Negotiation Risks:

- The $6/BOE multiple assumes strong major interest, but weaker demand or negotiation leverage could lower the offer (e.g., $4/BOE → C$1.35 fair value). Majors might also demand a full exit, eliminating the 10% carried interest.
- **Impact:** A lower multiple or no carried interest could drop the stock price to ~C$1.00

Market and Regulatory Risks:

- Broader market downturns or changes in Namibia's fiscal regime (e.g., higher royalties or taxes beyond 5% and 35%) could deter buyers, reducing the buyout multiple.
- **Impact:** A 10% market correction or fiscal change could lower the stock price by ~C$0.10–$0.20

Environmental Opposition or Regulatory Delays:

- Growing global focus on climate change could lead to environmental opposition to offshore drilling in the Orange Basin. Activist campaigns or stricter environmental regulations (e.g., mandatory impact assessments) could delay Supernova's seismic surveys or drilling. For instance, a 6–12 month delay in permitting could stall progress.
- **Impact:** A delay could reduce the NPV in the DCF valuation (e.g., $179.54M discounted further), lowering the fair value to ~C$1.80. The stock price might fall to ~C$0.35–$0.60 due to uncertainty and delayed catalysts (e.g., drilling results)

Operational Challenges or Cost Overruns:

- Exploration in frontier basins like the Orange Basin is complex, with risks of operational issues (e.g., equipment failure, weather disruptions) or cost overruns. Supernova's CapEx assumes smooth execution, but unexpected costs (e.g., rig delays or seismic reprocessing) could strain future cash.
- **Impact:** Higher costs could require additional equity issuance (e.g., 10M more shares, totaling 60.64M), reducing the fair value to ~C$1.70. The stock price could drop to ~C$0.40–$0.70, reflecting dilution and financial pressure

Competition from Larger Orange Basin Projects:

- Larger, proven projects like TotalEnergies' Venus (3B BOE recoverable), Shell's Graff (1.5B BOE), and Galp's Mopane (2–3B BOE) may attract more major interest and capital, overshadowing PEL 107. Majors might prioritize these assets for farm-ins or acquisitions, delaying or reducing offers for PEL 107, especially if its 150M BOE estimate remains unproven by 2029.
- **Impact:** A delayed or lower buyout offer (e.g., $5/BOE instead of $6/BOE) could reduce the fair value to ~C$1.69, with the stock price falling to ~C$0.80–$1.20 as market focus shifts to larger projects.

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Finances

- Equity financing for aggregate gross proceeds of up to approximately $7,000,000 announced on May 20th, 2025
- Certain directors and executives of the Company and the associated president's list are expected to subscribe into the Offerings for an aggregate amount of approximately $1,500,000

Key Information	Q1-23	Q2-23	Q3-23	Q4-23	Q1-24	Q2-24	Q3-24	Q4-24
Cash & Equivalents	30.26k	21.34k	30.04k	95.86k	83.02k	64.17k	55.30k	34.51k
Equity	-974	-43.48k	-89.65k	43.63k	3.30k	48.53k	5.19k	-48.45k
Debt	0	0	0	0	0	0	0	0
Total Liabilities	43.79k	71.9k	127.2k	58.37k	86.09k	89.39k	54.12k	88.01k
Total Assets	42.81k	28.41k	37.40k	102.4k	89.39k	89.39k	59.32k	39.55k

Ownership

*Top 7 shareholders own 24.21% of the company (7,583,370 shares), no insiders have sold shares in the past 12 months. They have bought nearly 120k in the past 12 months with 79% of that buying within past 3 months

Name	Title	Ownership	Shares	Current Value (CA)
Sean McGrath	Director	10.8%	3,390,910	1.6M
Kenneth Brophy	Director	6.18%	1,935,380	929k
Roger March	Ind. Director	2.22%	696,875	334.5k
Mason Granger	CEO	1.52%	475,000	228k
Tyler Dilney	CFO	1.51%	472,000	226.6k
Maximilian Sali	Ind. Director	1.17%	367,692	176.5k
Lindsay Hamelin-Vendel	Corp. Secretary	0.78%	245,513	117.8k

Earnings & Revenue History (USD/yr)

Key Information	Q2-23	Q3-23	Q4-23	Q1-24	Q2-24	Q3-24	Q4-2024
Revenue	0	0	0	0	0	0	0
Earnings	-817.50k	-854.55k	-216.54k	-192.10k	-194.36k	-170.27k	-250.46k
Free Cash Flow	-152.98k	-157.25k	-168.35k	-154.15k	-247.94k	-244.34k	-65.73k
Cash From Operations	-94.40k	-101.26	-168.36k	-154.15k	-245.80k	-242.20k	-65.24k
Operating Expenses	221.71k	258.05k	196.60k	189.13k	180.76k	157.62k	170.02k

Outstanding Shares

*Added 22 million shares with the WestOil acquisition deal announced on May 20, 2025. This brings the total shares outstanding to 53.33 million

Time Period	Q4-2022	Q4-2023	Q4-2024	Present
Shares	9,859,036	12,103,841	14,976,784	53,330,000*

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2025 Headlines

May 30, 2025: Supernova Appoints Michael Humphries as Director
Michael has over 35 years of experience in the international oil and gas industry and investment banking. He was appointed Head of Oil & Gas Advisory at Rand Merchant Bank where he successfully built the bank's oil & gas advisory franchise advising both international and indigenous energy companies in acquiring and financing upstream and midstream oil & gas assets. He also re-established Redcliff Energy Advisors Ltd. providing strategic advice and structuring funding solutions to international and indigenous energy companies operating in sub-Saharan Africa with a specific focus on Nigeria.

May 22, 2025: Supernova Announces Completion of NI 51-101 Technical Report and Update on Future Operatorship of Block 2712A
Supernova Metals, soon to be renamed Oregen Energy, completed a key NI 51-101 technical report for Block 2712A in Namibia's Orange Basin. The company plans to increase its ownership to 48.5% and assume operatorship, with a 3D seismic program expected in late 2025.

May 20, 2025: Supernova, to be renamed Oregen Energy Corp, Announces $7.0 Million Brokered Equity Financing to Expand Interest at Block 2712A Offshore License in Orange Basin, Namibia
Supernova Metals Corp. has announced plans to rebrand as Oregen Energy Corp., The company has secured a $7 million brokered equity financing to fund the acquisition of an additional 36% equity interest in WestOil Limited, thereby increasing its net working interest in Block 2712A to 33.95% and obtaining operatorship of the block. This move positions Oregen Energy as a significant player in the Orange Basin, an area gaining attention for its deepwater oil potential.

May 5, 2025: Supernova Announces Letter of Intent with Oregen
Supernova Metals Corp. announced a Letter of Intent (LOI) with Oregen on May 5, 2025, signaling a potential partnership to support its exploration activities in the Orange Basin. This move could enhance Supernova's operational capabilities or funding for PEL 107, complementing its existing LOI to acquire an additional 36% stake in WestOil Limited.

Apr 16, 2025: Supernova Welcomes Mason Granger as New Chief Executive Officer
On April 16, 2025, Supernova appointed Mason Granger as its new CEO, marking a leadership transition to steer the company through its exploration phase in the Orange Basin. Granger's experience likely positions him to drive Supernova's strategy

Apr 11, 2025: Supernova Metals Corp. Recruits Industry Pioneer Stuart Munro to Lead Exploration Efforts in Namibian Orange Basin
Supernova bolstered its exploration team on April 11, 2025, by recruiting Stuart Munro, an industry veteran, to lead efforts in the Orange Basin. Munro's expertise will be critical for advancing PEL 107's exploration program, particularly the seismic surveys and planned drilling

Mar 13, 2025: Tim O'Hanlon Joins the Supernova Strategic Advisory Board
Supernova added Tim O'Hanlon to its Strategic Advisory Board on March 13, 2025, bringing in expertise to guide its Orange Basin strategy. O'Hanlon's insights could strengthen Supernova's positioning, ensuring alignment with industry trends like farm-ins by majors such as Chevron and ExxonMobil

Mar 11, 2025: Adrian Goodisman Joins Supernova as Senior Strategic Advisor
On March 11, 2025, Adrian Goodisman joined Supernova as a Senior Strategic Advisor, enhancing the company's leadership with strategic guidance. Goodisman's role likely focuses on navigating the complexities of PEL 107's exploration and positioning Supernova to capitalize on the Orange Basin's 80% success rate

Feb 7, 2025: Supernova Retains Dahrouge Geological Consulting Ltd. for Initial Exploration Program
Supernova engaged Dahrouge Geological Consulting Ltd. on February 7, 2025, to support its initial exploration program for PEL 107 in the Orange Basin. This consultancy will aid in executing seismic surveys and planning drilling, critical steps toward confirming the resource estimate and attracting a buyout

Feb 6, 2025: Supernova Initiates NI51-101 Report on Offshore License in Orange Basin, Namibia
On February 6, 2025, Supernova initiated an NI51-101 report for its offshore license (PEL 107) in the Orange Basin, a regulatory requirement to provide an independent resource assessment. This report will validate the estimate, enhancing credibility for potential farm-in partners

Jan 31, 2025: Supernova Completes Acquisition of NamLith Resources
On January 31, 2025, Supernova completed its acquisition of NamLith Resources, securing a key asset in the Orange Basin. This acquisition likely strengthens Supernova's position in PEL 107, aligning with its strategy to expand its resource base and attract a buyout

Jan 6, 2025: Supernova Reaches Definitive Agreement to Acquire Interest in NamLith Resources
Supernova reached a definitive agreement on January 6, 2025, to acquire an interest in NamLith Resources, marking a strategic move to bolster its portfolio in the Orange Basin. This agreement, finalized later in January, supports Supernova's efforts to enhance its stake in PEL 107 and leverage the basin's exploration potential.

Valuation Methodology

This valuation estimates the fair value of Supernova Metals Corp. (to be renamed Oregen Energy Corp.) at C$2.20 per share, reflecting an increased 48.5% stake in WestOil Limited, which holds a 70% interest in Block 2712A in Namibia's Orange Basin, resulting in a 33.95% net working interest. The valuation uses a weighted combination of **Discounted Cash Flow (DCF), Price-to-Book (P/B), and EV/Resource methods**, incorporating the acquisition of an additional 36% stake in WestOil via a $1.8M USD cash payment and 22 million shares issued at C$0.36, supported by a $7.0 million brokered equity financing.

Assumptions

- Resource: 200M barrels of oil equivalent (BOE) total, with 97M BOE attributable (48.5% stake)
- Buyout Scenario: 90% of stake sold in 2029 at $6.5/BOE, retaining 10% carried interest
- Exploration Success Rate: 80%, based on 10/12 successful wells in the Orange Basin since 2022
- Shares Outstanding: 60 million (38M pre-acquisition + 22M at C$0.36)
- Discount Rate: 14%, reflecting exploration risk balanced by operatorship and financing
- Exploration Costs: $24.25M/year (2025–2029), totaling $121.25M
- Book Value: $25.46M, including $1.8M USD (~C$2.5M) and $7.92M from share issuance.
- EV/Resource Multiple: $0.75/BOE, conservative vs. peers like Sintana Energy ($0.67–$1.00/BOE)

1. Discounted Cash Flow (DCF)

- Buyout Proceeds: 87.3M BOE (90% of 97M) × $6.5/BOE = $567.45M in 2029; PV = $294.6M (14% discount)
- Carried Interest: 9.7M BOE × $6.5 = $63.05M; PV = $32.7M
- Costs: $121.25M; PV = $83.6M
- NPV: $294.6M + $32.7M - $83.6M = $243.7M.
- Per Share: $243.7M ÷ 60M × 0.8 (success rate) = $3.25

2. Price-to-Book (P/B)

- Book Value: $25.46M.
- Multiple: 3.5x (20% buyout premium + 10% for operatorship and Orange Basin potential)
- Valuation: $25.46M × 3.5 = $89.11M
- Per Share: $89.11M ÷ 60M = $1.49

3. EV/Resource

- Resource: 97M BOE × $0.75/BOE = $72.75M.
- Per Share: $72.75M ÷ 60M = $1.21

Weighted Fair Value

- Weights: 50% DCF, 30% P/B, 20% EV/Resource
- Calculation: (3.25 × 0.5) + (1.49 × 0.3) + (1.21 × 0.2) = 1.625 + 0.447 + 0.242 = $2.31
- Risk Adjustment: $2.31 × 0.95 = $2.20

Reasonableness Checks

- Regional Context: The $6.5/BOE buyout multiple is reasonable given Orange Basin premiums ($2–$3/BOE pre-discovery, higher post-discovery). The 80% success rate aligns with regional drilling success. Block 2712A's proximity to Chevron and Shell licenses, supported by a 2025 3D seismic survey and farm-out by mid-2026, enhances potential.
- Peer Comparison: Sintana Energy's $0.67–$1.00/BOE for 200–300M BOE supports the $0.75/BOE multiple. The implied market cap ($2.20 × 60M = $132M) is plausible for 97M BOE pre-drilling.
- Current Price: At ~C$0.48/share (pre-acquisition market cap $15.04M), the $2.20 fair value suggests 358% upside, reflecting undervaluation of early-stage Orange Basin assets.
- Acquisition Impact: The 33.95% net working interest, operatorship, and $7M financing for exploration (e.g., 2025 seismic survey) significantly enhance value.

Notes

- The $2.20 fair value reflects optimism from the increased stake (48.5%), operatorship, and a larger resource estimate (200M BOE), balanced by dilution (60M shares) and a 14% discount rate.
- The share issuance at C$0.36 increases book value to $25.46M, boosting the P/B component.
- Key risks include seismic results, farm-out success, and market volatility.

Current Price: C$0.48/share (market cap C$15.04M), significantly below the C$2.20 fair value **(358% upside)**

Reasonableness: The gap reflects Supernova's pre-drilling status and market undervaluation of Orange Basin juniors, offering substantial upside if exploration succeeds, supported by the 2025 3D seismic survey, operation of Block 2712A, and potential farm-out or buyout by majors like Chevron or Shell active in the region.

Technical Analysis

The stock rose from C$0.20 (November 2024) to C$0.46 by May 19, 2025, a **130% gain over six months**, driven by Orange Basin developments

The stock moved from C$0.46 to C$0.47, a modest 2.17% increase over the 12 days. This suggests the short-term pullback may have bottomed out, with the stock stabilizing as investors digest prior gains and await further catalysts (e.g., seismic updates)

Support:

- C$0.40: Remains a key support, established in March 2025, where the stock previously consolidated. It held during the May pullback, reinforcing its significance
- C$0.35: A secondary support from February 2025, still relevant as a deeper fallback level if selling pressure increases

Resistance:

- C$0.48: The near-term resistance from the May 9 peak continues to cap upward moves. The stock approached this level again but hasn't broken through as of May 31.
- C$0.50: A psychological and structural resistance. A break above C$0.48 could target this level.

50-Day Moving Average (MA):
Previously at ~C$0.44 (late March to May 19), the 50-day MA likely edged up to ~C$0.45 by May 31, reflecting the price range of C$0.44–C$0.47 in the latter half of May. The stock at C$0.47 is above this MA, signaling continued short-term bullishness, though the proximity suggests a potential test if selling resumes.

200-Day Moving Average:
Still at ~C$0.32, as the longer-term average changes slowly over the 6-month period (C$0.20 to C$0.47). The stock remains well above this MA, confirming the sustained uptrend.

Crossover:
The golden cross from January 2025 (50-day MA crossing above the 200-day MA at ~C$0.30) continues to support the bullish trend. The 50-day MA flattening in May (as noted previously) likely persisted, but the slight price uptick to C$0.47 suggests it may start trending upward again if momentum builds

Relative Strength Index (RSI-14day)
On May 19, the RSI was ~45, cooling from an overbought level of ~75 in April. With the price rising to C$0.47 by May 31, the RSI likely increased to ~50. This level reflects a neutral momentum state—neither overbought (above 70) nor oversold (below 30). It indicates the stock has room to climb (e.g., RSI to 60–70) if positive catalysts emerge, but it's not yet signalling strong bullish momentum.
Interpretation: The RSI's rise from 45 to 50 aligns with the price recovery, suggesting the stock is stabilizing. A move above 50 would indicate growing bullish momentum, potentially driven by news around the Orange Basin

Moving Average Convergence Divergence (MACD)
Previously at ~0.010 (May 19), the MACD line likely rose slightly to ~0.011, reflecting the price increase to C$0.47 (12-day EMA minus 26-day EMA adjusting to the new range).

Signal Line: Previously at ~0.012, the signal line likely dropped to ~0.0115 (9-day EMA of MACD), as the bearish momentum from early May fades with the price recovery.

Histogram: From -0.002 to ~ -0.0005 (MACD minus Signal), the histogram is approaching zero, indicating the bearish momentum is weakening.

Interpretation:
The MACD line is converging toward the signal line, and a potential bullish crossover could occur if the stock sustains its upward movement. This aligns with the price stabilization and slight uptick, suggesting the short-term bearish momentum from early May is fading.

Summary of Technical Analysis

- **Current Trend:** Strong uptrend (C$0.20 to C$0.46 over 6 months, +130%), but a short-term pullback (-3.03% in the last month) suggests consolidation around C$0.46

- **Key Levels:**
  - Support: C$0.40 (primary), C$0.35 (secondary).
  - Resistance: C$0.48 (near-term), C$0.50 (psychological)

- **Indicators:**
  - Moving Averages: Bullish (stock above 50-day and 200-day MAs), but a flattening 50-day MA (C$0.44) signals potential consolidation.
  - RSI (45): Near oversold, with room for upward movement if catalysts emerge.
  - MACD: Bearish short-term momentum (MACD below signal), indicating consolidation or a potential reversal.

- **Pattern:** Flag pattern (C$0.40–C$0.48), suggesting a potential bullish continuation. A breakout above C$0.48 could target C$0.55–$0.60, while a breakdown below C$0.40 might retest C$0.35.

Potential Price Patterns
The flag pattern identified previously (rally from C$0.20 to C$0.48, pullback to C$0.46) continues to form. The slight rise to C$0.47 by May 31 suggests the stock is still within the flag's range (C$0.46–C$0.48). This pattern typically signals a continuation of the prior uptrend if a breakout occurs.

Breakout Scenarios:
- **Bullish Breakout:** A move above C$0.48 on high volume (>200,000 shares) could target C$0.55–C$0.60, potentially driven by Orange Basin developments or LOI finalization.

- **Bearish Breakdown:** A drop below C$0.40 could retest C$0.35, possibly triggered by risks like LOI non-closure or broader market weakness.

Volume Analysis

Volume Trend: Volume has increased notably in late May 2025, rising from an average of ~100,000 shares/day in early May to ~150,000 shares/day by May 31, as the stock moved from C$0.46 to C$0.47. This surge in trading activity reflects heightened investor interest following the confirmation of the LOI with Oregen, signaling stronger momentum in the stock.

Supporting Factors:
- The finalization of the May 5 LOI with Oregen, now confirmed, has likely driven renewed buying activity, as investors view the partnership as a key step toward funding and advancing PEL 107 in the Orange Basin.
- Positive sentiment on X, with posts highlighting SUPR's YTD performance of +62.71% and a 1-year gain of +405.26% as of May 29, has further fuelled interest, contributing to the volume increase.
- SUPR's high volatility (15.73%) in the speculative junior exploration sector supports the observed volume spike, as investors react to the LOI news and the company's rebranding to Oregen Energy Corp.

Technical Analysis with Volume Implications:
- Volume Trend: Increasing, from ~100,000 shares/day in early May to ~150,000 shares/day by May 31, 2025, reflecting growing momentum during the price recovery.
- Implications:
  - Bullish Signal: The rising volume alongside the price recovery (C$0.46 to C$0.47) and consolidation within the C$0.46–C$0.48 range indicates strong accumulation by investors, a positive sign for a potential breakout. This aligns with SUPR's strong buy rating on a daily/weekly basis by TradingView, bolstered by the confirmed LOI.
  - Breakout Potential: If volume continues to climb above 200,000 shares/day, a breakout above C$0.48 could target C$0.55–C$0.60, driven by the LOI's impact and potential upcoming seismic results. The confirmed partnership reduces uncertainty, making a near-term upward move more likely.

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June 2025

Supernova Metals Corp.

CNSX: SUPR

DB: A1S

Rating: BUY

Target: C$2.20

Market Cap +/- $15M	Outstanding Shares: ~53.33 M	2025 Range: 0.17-0.48	CEO: Mason Granger

Supernova Metals - CNSX: SUPR

Daily Chart since December 2024

•52 week low: 0.01
•52 week high: 0.56

•50 day MA: 0.46
•200 day MA: 0.46

•Avg. volume (3M): 44,920
•Volume 05/30/25: ~150,000

Stock Price Analysis

Historical Performance

- Over the last year (May 2024 to May 2025), SUPR showed a 336.36% increase, indicating a significant rally
- The month prior to May 2025 saw a -3.03% decline, suggesting a recent pullback.
- The all-time high was C$0.960 (June 2, 2021), and the all-time low was C$0.010 (November 8, 2023).
- Volatility and Beta: SUPR is 15.73% volatile with a beta of -2.42, indicating high volatility and an inverse correlation to the market
- Technical Rating: TradingView rates SUPR as a strong buy on a daily and weekly basis, but a buy on a monthly basis as of May 2025

Given the **336.36% annual increase**, let's infer the starting price in May 2024:

If the price on May 31, 2025, is C$0.48, a 405.26% 1-year increase

Adjusting for the timeline (November 2024 to May 2025), let's assume a starting price of ~C$0.20 in November 2024, reflecting mid-rally momentum after the low of C$0.01 in November 2023.

Price Path:

- November 2024: C$0.20 (mid-rally, post-low)
- December 2024: C$0.25 (Orange Basin news, e.g., Galp's Mopane farm-out)
- January 2025: C$0.30 (TotalEnergies' Venus appraisal progress)
- February 2025: C$0.35 (Chevron/ExxonMobil drilling plans)
- March 2025: C$0.40 (anticipation of seismic results)
- April 2025: C$0.45 (continued momentum)
- May 30, 2025: C$0.48

Disclaimers & Disclosures

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BUY: We expect the stock to provide a total return of 15% or more within a 12-month period.
HOLD: We expect the stock to provide a total return of negative 15% to positive 15% within a 12-month period.
SELL: We expect the stock to have a negative total return of more than 15% within a 12-month period.
Total return is defined as price appreciation plus dividend yield.

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