

## GT Gold Corp. (TSXV:GTT)

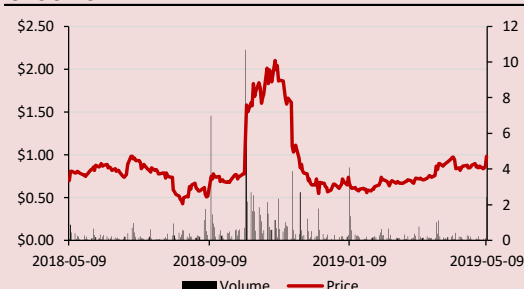
## Newmont Goldcorp Validates Saddle North

## Corporate Update

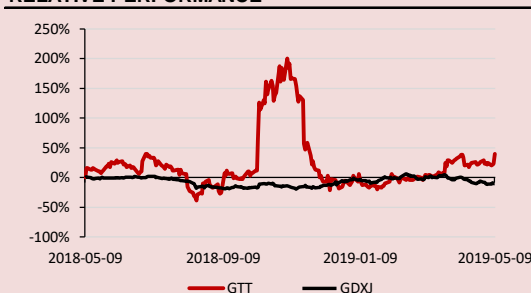
(Currency is CAD\$ unless noted otherwise)

Closing Price		\$0.96
Consensus NAVPS		\$5.27
52 Week Low / High	\$0.41 /	\$2.15
Consensus P/NAV		0.18x
<b>CAPITALIZATION</b>	Basic	Diluted
Shares Outstanding (M)	104.6	114.9
Market Capitalization (\$M)		\$100.4
Enterprise Value (\$M)		\$96.7
Last Reported Quarter Cash (\$M)		\$3.7
Total Debt (\$M)		\$0.0

### STOCK CHART



### RELATIVE PERFORMANCE



RELATIVE VALUATION	US\$EV/oz AuEq	P/NAV
Peer Group Average*	\$51	0.40x
GT Gold Corp.	NA	0.18x

\*Capital IQ Consensus

### MAJOR SHAREHOLDERS

Management (13.77%), Wildville Enterprises Pty Ltd (9.07%), Hargreave Hale Limited, Asset Manag (6.04%), Sentry Investments Inc. (2.41%), Mackenzie Financial Corporation (1.05%), Quantex AG (0.5%)

**DISCLOSURE CODE:** 2,4

(Please refer to the disclosures listed on the back page)

Source: RCKS, Company Information, Capital IQ

### Company Description

GT Gold Corp. primarily engages in the acquisition, exploration, and development of gold properties in Canada. It also explores for silver and copper. The company's flagship property is the Tatogga property covering an area of 43,178 hectares, which is located in the northwestern British Columbia. The company is headquartered in Vancouver, Canada.

### Impact: Positive

GT Gold has announced a strategic investment by Newmont Goldcorp which endorses our positive view of the Saddle North project. **With funding now in-place, GT Gold should be able to aggressively explore Saddle North in 2019. Consequently, the market will again focus on the exploration potential and should result in sector leading share price performance.**

### Highlights:

- **Newmont becomes a strategic investor, buying 9.9% of GT Gold.** The strategic investment should bring in C\$17.6M when it closes later this month. The deal was priced at C\$1.53 per flow-through share. As part of the investment, Newmont Goldcorp will be able to designate one nominee for election to the board, appoint half of the newly formed joint technical committee, and have a right of first offer (ROFO), should GT Gold seek to divest all or part of Saddle North.
- **Investment validates Saddle North's potential.** Despite only 11 drill holes being completed at Saddle North, we believe GT Gold has made a **major Copper-Gold porphyry discovery** and this investment by Newmont Goldcorp supports this potential. We are also encouraged that Newmont Goldcorp, is going to lend its technical expertise to the project, which we think should help move this project from discovery to resource in an expeditious manner.
- **Focus returns to exploration.** While the company was positioned to fund a small exploration program this season previously, this investment should allow it to properly explore this major discovery in 2019. We expect drilling to start later this quarter, with first results likely this summer. We expect continued success, should drive the share price higher.

### Valuation:

**Strategic investment should help generate momentum ahead of this summer's exploration program.** Our rough numbers point to a high-grade resource of 6.153B lbs of CuEq or (14.2M oz AuEq – Figure 1) project NPV at over C\$2B (Figure 3). Even with conservative estimates for further dilution and time to construction, GT Gold appears to be undervalued at a market capitalization of just C\$96.7M. **Upcoming catalysts include** 1) 2019 Exploration plans (Q2/19), 2) Restart of Exploration (Q2/19) and 3) Initial 2019 exploration results (Q3/19).

Figure 1: Estimated mineral inventory at Saddle North at various cut-off grades (Leapfrog Geo – Version 4.2)

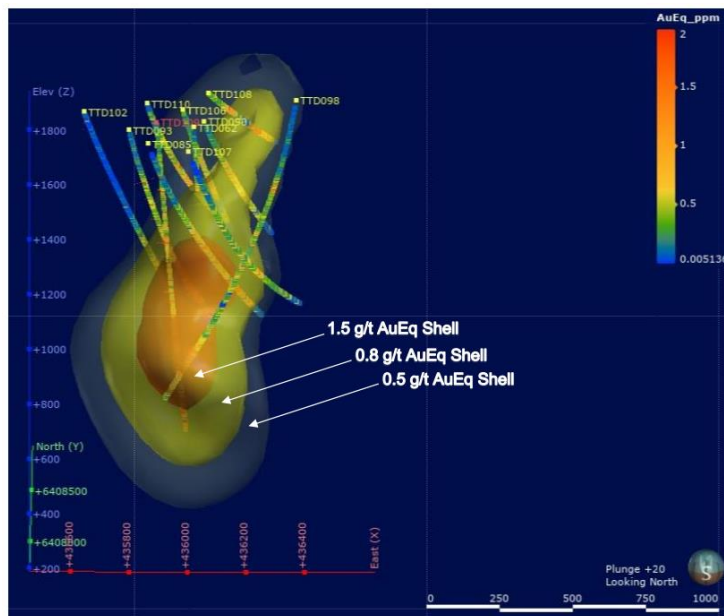
Cutt-Off Grade (g/t AuEq)	Tonnes (Mt)	Grade (g/t AuEq)	Contained Ounces (AuEq)
0.50	824.30	0.89	23.46
0.60	613.55	1.00	19.76
0.70	470.12	1.11	16.77
0.80	364.76	1.21	14.24
0.90	286.05	1.32	12.10
1.00	227.19	1.41	10.30
1.10	182.46	1.50	8.80
1.20	147.92	1.58	7.52
1.30	120.16	1.66	6.41
1.40	96.03	1.74	5.36
1.50	76.51	1.81	4.45

Notes:

- Metal prices of US\$1,195/oz Au and US\$2.64/lb Cu were used to calculate AuEq grades. AuEq grades do not account for recoveries.
- Leapfrog Geo (Version 4.2) was used to produce preliminary 3D grade shell interpolants for Saddle North based on the 11 holes drilled to date.
- Important to note that this is not an NI 43-101 resource and does not meet CIM standards for mineral resource reporting.
- Interpolation was NOT geologically constrained - most notably:
  - The footwall fault is not modeled and so it is likely that low grades are being interpolated into the footwall zone which is known to be sterile.
  - The lithologies / alteration which carry high grades are not modeled nor are narrow post mineral intrusive phases which are unmineralized.

Source: RCKS Estimates, Leapfrog Geo (Version 4.2)

Figure 2: Saddle North Grade Shell Estimate



Source: RCKS Estimates, Leapfrog Geo (Version 4.2)

Figure 3: Mine Model Summary

Project Parameters	Units	Current RCKS Estimates
Gold Equivalent Grade*	(g/t)	1.21
Mineable Resource**	(Mt)	365
Throughput***	(tpd)	30,000
Mine Life	(Years)	35
Gold Recovery	(%)	90
Copper Recovery	(%)	90
Annual Gold Equivalent Production	(koz Au)	408
Operating Costs		
Mining Cost	(C\$/t milled)	\$8.00
On-Site Processing Cost	(C\$/t milled)	\$6.00
G&A Cost	(C\$/t milled)	\$2.00
Total On-Site Operating Costs	(C\$/t milled)	\$16.00
Initial Capital Cost		
Initial Capital Cost	(C\$M)	\$1,000
LOM Sustaining Capital Cost	(C\$M)	\$1,750
Total Capital Cost	(C\$M)	\$2,750
Pre-Tax NPV @ 5%	(C\$M)	\$3,856
Pre-Tax NPV @ 8%	(C\$M)	\$2,192
Pre-Tax IRR	(%)	25%
Post-Tax NPV @ 5%	(C\$M)	\$2,433
Post-Tax NPV @ 8%	(C\$M)	\$1,286
Post-Tax IRR	(%)	19%

\*Metal prices: US\$1,195/oz Au and US\$2.64/lb Cu.

\*\*Mine plan does not incorporate sequencing of the very high-grade core (i.e. 1.5g/t AuEq cut-off)

\*\*\*Assumes steady state throughput is achieved in Year 1

Source: RCKS Estimates

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Company Specific Disclosure Details

Company Name	Ticker Symbol	Disclosures
GT Gold Corp	TSXV:GTT	2,4

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2. In the last 12 months, Red Cloud KS has been retained under a service or advisory agreement by the subject issuer.
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