

**Fiore Gold Ltd. (TSXV:F)**
**Record Quarter Translates to Better Cash flow**
**Financial Results**

(Currency is CAD\$ unless noted otherwise)

Closing Price		\$0.30
Consensus NAVPS		\$1.08
52 Week Low / High	\$0.21 /	\$1.18
Consensus P/NAV		0.28x
<b>CAPITALIZATION</b>	<b>Basic</b>	<b>Diluted</b>
Shares Outstanding (M)	97.7	129.74
Market Capitalization (\$MM)		\$29.3
Enterprise Value (\$MM)		\$18.1
Last Reported Quarter Cash (\$MM)		\$11.2
Total Debt (\$MM)		\$0.0

**STOCK CHART**

**RELATIVE PERFORMANCE**


RELATIVE VALUATION	EV/EBITDA	P/NAV
Peer Group Average*	2.4x	0.51x
Fiore Gold Ltd.	1.0x	0.28x

\*Capital IQ Consensus

**MAJOR SHAREHOLDERS**

Management (3.73%), U.S. Global Investors, In. (2.05%)

**DISCLOSURE CODE:** 2

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

Source: RCKS, Company Information, Capital IQ

**Company Description**

Fiore Gold Ltd. operates as a gold production and development company in the Americas. The company's projects include the Pan Mine, an open-pit, heap-leach mine in White Pine County, Nevada; the Gold Rock project, which covers an area of 20,300 hectares of contiguous land package on the Battle Mountain-Eureka Trend; and the Golden Eagle project that covers an area of approximately 339.3 acres located in Ferry County, Washington. Its projects also include the Cerro Tostado project comprising five concessions covering an area of approximately 1,500 hectares; and the Rio Loa property, which covers 1,000 hectares in Chile. The company is headquartered in Toronto, Canada.

**Impact: Positive**

Fiore Gold has released positive FQ2/19 financial results on the heels of record quarterly production. We believe that the company's strong cash position (US\$8.3M) and improving operations should provide the fuel for future production growth. **Fiore is an undervalued gold producer whose solid operations and growth potential has not yet been priced in by the market.**

**Highlights:**

- Operational execution translates to strong financial results.** Fiore delivered fiscal Q2 revenue of US\$14.01M, a 17% increase QoQ and US\$3.67M in operating cash flow, a 41% increase QoQ. This financial success was driven by a 10% increase in gold production QoQ to 10.76k oz Au despite a mild 4% increase in cash costs from FQ1 to US\$847/oz. We highlight that AISC have remained below US\$900 /oz sold for three consecutive quarters with this quarter's AISC at US\$899/oz Au sold.
- Outlook positive for the balance of F2019 and F2020.** The company recently updated its reserve estimate at Pan and plans to complete the installation of a primary crushing circuit by CQ2/19 (FQ3) which would positively impact gold production in F2020. Guidance for F2019 is outlined as 40,000-43,000 oz at cash costs of US\$870-900/oz Au. Based on H1/19 production, the company is on track to meet F2019 guidance. We would expect that the new crusher should drive production higher (~15%) in F2020 and the expected increase in recoveries, should reduce costs.
- Steady cash flow should fund targeted growth.** Fiore has set a corporate goal of increasing production to 150,000 oz Au, which is likely to come from the Pan expansion, Gold Rock and via acquisition. Despite being a small producer, the company is generating positive cash flow, which allows it to fund Gold Rock development, while making it an attractive partner. At Gold Rock C2019 drilling, targeting an expansion of the current 419.6k oz resource is expected to lead to a PEA in 2020.

**Valuation:**

**Strong operating performance should re-rate Fiore.** Based on our preliminary estimates, Fiore trades 1x F2019E EBITDA; a discount to peer gold producers at 2.4x EBITDA. We believe that as the company executes at Pan, while demonstrating its longer-term potential with Gold Rock it should re-rate towards peers. **Upcoming catalysts** include 1) Crusher installation CQ2/19, 2) Exploration updates (ongoing) and 3) FQ3 operating and financial results (CQ3 2019).

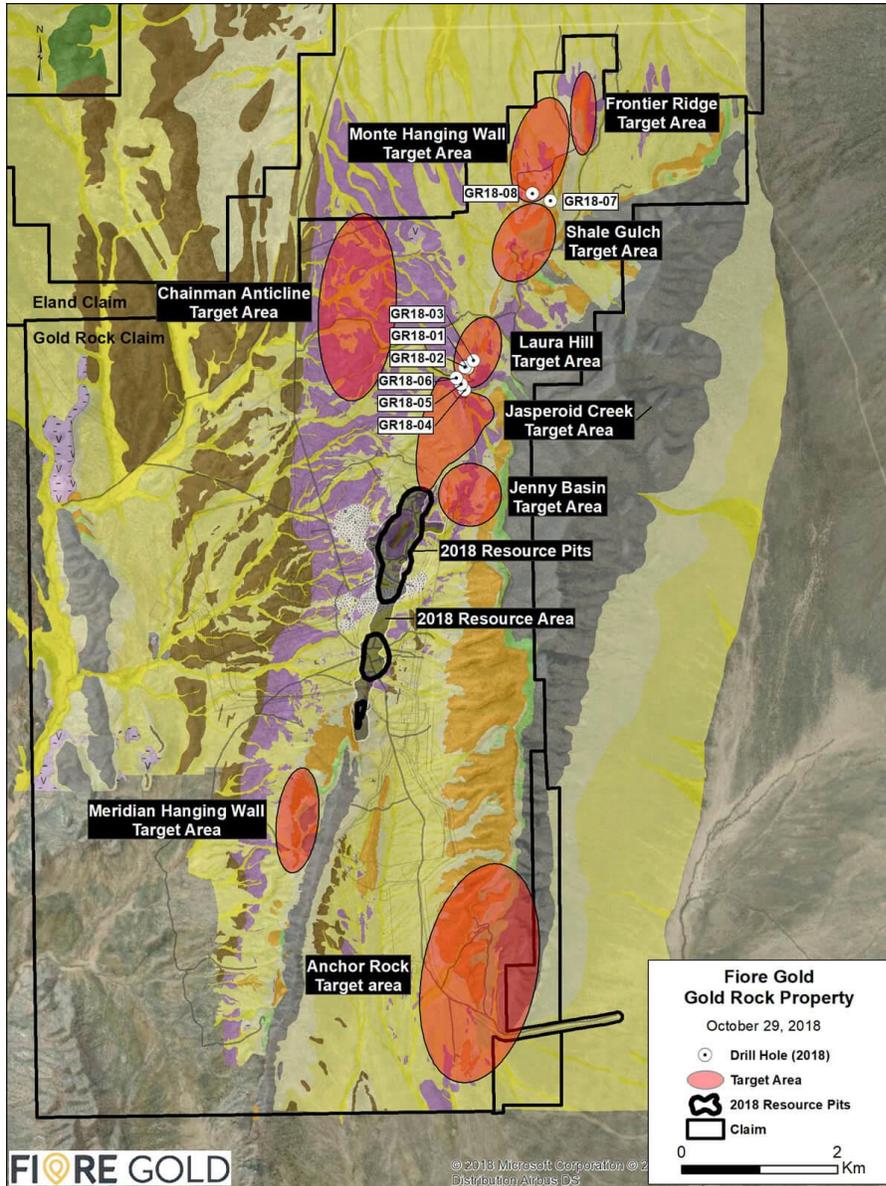
Figure 1: Company Comparables

Company	Ticker	Price (C\$/sh)	YTD Perf.	Shares (M)	Mkt. Cap C\$M	Cash C\$M	Debt C\$M	EV C\$M	EV/EBITDA 2019E	Consensus P/NAV
<b>Fiore Gold Ltd.*</b>	<b>TSXV:F</b>	<b>\$0.30</b>	<b>-12%</b>	<b>98</b>	<b>\$29</b>	<b>\$11</b>	<b>\$0</b>	<b>\$18</b>	<b>1.0x</b>	<b>0.28x</b>
Capstone Mining Corp.	TSX:CS	\$0.55	-10%	403	\$222	\$88	\$299	\$432	2.54x	0.36x
Dundee Precious Metals Inc.	TSX:DPM	\$4.01	11%	180	\$723	\$19	\$39	\$743	3.01x	0.60x
Superior Gold Inc.	TSXV:SJI	\$0.58	-31%	97	\$56	\$22	\$10	\$45	1.51x	0.42x
Argonaut Gold Inc.	TSX:AR	\$1.63	4%	179	\$292	\$38	\$19	\$273	2.15x	0.53x
Guyana Goldfields Inc.	TSX:GUY	\$0.92	-43%	174	\$160	\$98	\$52	\$113	2.11x	0.30x
Roxgold Inc.	TSX:ROXG	\$0.96	19%	372	\$357	\$64	\$61	\$354	2.76x	0.71x
Lundin Mining Corporation	TSX:LUN	\$6.10	8%	738	\$4,499	\$982	\$101	\$3,618	3.07x	0.61x
Trevali Mining Corporation	TSX:TV	\$0.31	-27%	818	\$249	\$53	\$136	\$332	1.92x	0.52x
<b>Median</b>									2.35x	0.52x
<b>Average</b>									2.38x	0.51x

\*Based on on RCKS Estimates

Source: RCKS Estimates, S&P Global Market Intelligence

Figure 2: Fiore Gold Rock Project



Source: Company Reports

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Company Name	Ticker Symbol	Disclosures
Fiore Gold Ltd	TSXV:F	2

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