

If it looks like a bull market (technical breakout in gold), smells like a bull market (significant negative yielding debt) and feels like a bull market (funds flowing into gold), it must be a bull market. Our analysis shows that equities in smaller sized companies outperform during a bull market. However, not all junior miners are created equal, and we believe there are three keys to picking them.

In this note, we discuss why think we are in a new bull market, the best way to play a bull market, some of our favourite equities and an update to our estimates to reflect a higher gold price assumption.

It is finally here! A bull market in gold. There are number of factors that have finally led us here, but our view is that we are in the early innings of a new bull market in gold. History has shown us that in periods of negative real rates, gold acts as a currency and outperforms (Figure 3). We are entering a period where ~25% of global government debt has negative nominal rates, and while it may be uncharted ground, we expect to have the same effect. The global treasury market is US\$60 trillion dollars globally, while the global gold market including the related equities is only ~US\$3.5 trillion. It is only going to take a small percentage of the treasury market to move to gold to generate a massive rally, and funds have already started flowing that direction (Figure 4).

Just because a rising tide floats all boats, doesn't mean you should buy them all. We are not yet at a point, where every gold company, no matter the stage or quality of asset is going to go up. History tells us that larger cap, more liquid names rally first, followed by mid-tier and then the small and micro-cap companies (Figure 5). With this bull market setting up like the early 2000s, look for a long-sustained improvement for both the commodity and the underlying equities. Our three keys for picking junior mining companies are: 1) scarce, high quality assets, 2) positive catalysts on the horizon and 3) scale potential that matters. Additionally, there are a few diamonds in the rough that have missed out on the recent rally that we think should benefit (Figure 2).

Is silver coming along for the ride? "This time it is different" is often the phrase that precedes poor investment decisions, and while the silver market has changed, silver has not rallied with gold, and remains at multi-year lows with the gold-to-silver ratio at multi-year highs (Figure 6). With most silver miners operating at a loss or breakeven level, even a small move up in the silver price, could drive a significant rally in silver equities.

Moving to US\$1500/oz gold for our estimates. Considering the significant run in the gold price and our practice of using close to spot prices for our precious metals, we are moving to US\$1,500/oz for gold (was US\$1,300/oz) and US\$18/oz for silver (was US\$17/oz). Additionally, we adjusted our currency estimates, while our base metal prices remain unchanged at this time (Figure 1).

A higher gold price benefits leveraged names - we favour quality names that have yet to run. We have updated our estimates to reflect a higher gold price, including our probability based and fair value estimates (Figure 2). The most notable changes are Gran Colombia Gold (TSX:GCM) and Seabridge Gold (TSX:SEA). Taking into account our preferences, our favourite precious metals names are: Gran Colombia Gold (TSX:GCM), Mawson Resources (TSX:MAW), Mako Mining (TSXV:MKO) and Seabridge Gold (TSX:SEA). Additionally, we have listed the changes to our coverage universe in alphabetical order.

Figure 1: Metal Price Changes

Commodities & F/X Rates	2019		2020	2021	2022	2024	Long Term
	Q3	Q4					
Precious Metals							
Gold (USD/oz) - Current	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Gold (USD/oz) - Previous	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Silver (USD/oz) - Current	18.00	18.00	18.00	18.00	18.00	18.00	18.00
Silver (USD/oz) - Previous	17.00	17.00	17.00	17.00	17.00	17.00	17.00
Platinum (USD/oz) - Current	900	900	900	900	900	900	900
Platinum (USD/oz) - Previous	850	850	850	850	850	850	850
Palladium (USD/oz) - Current	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Palladium (USD/oz) - Previous	1,300	1,300	1,300	1,300	1,300	1,300	1,300
F/X Rates							
C\$: US\$ exchange rate - Current	0.75	0.75	0.75	0.75	0.75	0.75	0.75
C\$: US\$ exchange rate - Previous	0.80	0.80	0.80	0.80	0.80	0.80	0.80
Australian : US\$ exchange rate - Current	0.70	0.70	0.70	0.70	0.70	0.70	0.70
Australian : US\$ exchange rate - Previous	0.75	0.75	0.75	0.75	0.75	0.75	0.75
US\$: Mexican Peso exchange rate - Current	20	20	20	20	20	20	20
US\$: Mexican Peso exchange rate - Previous	19	19	19	19	19	19	19
Columbian Peso : US\$ exchange rate - Current	3,400	3,400	3,400	3,400	3,400	3,400	3,400
Columbian Peso : US\$ exchange rate - Previous	3,000	3,000	3,000	3,000	3,000	3,000	3,000

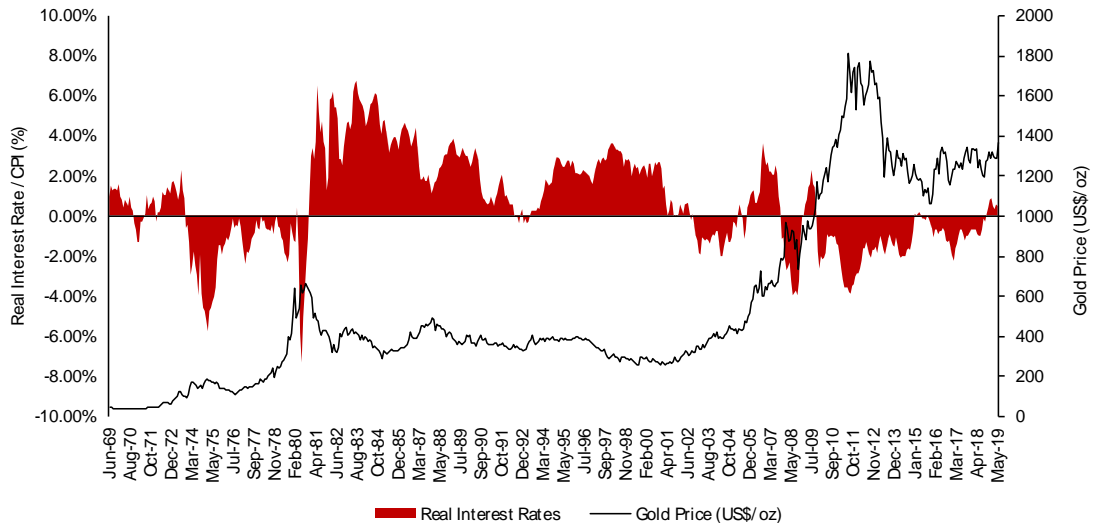
Source: Company Reports, RCKS Estimates, Capital IQ

Figure 2: Estimate Changes

Company	Ticker	Price (C\$/sh)	7 Day Δ	30D Δ	YTD Δ	MC (C\$M)	RCS FV Estimate (C\$/sh)	
							Current	Previous
Aquila Resources Inc.	TSX:AQA	\$0.19	0%	0%	-5%	\$64.3	\$0.45	\$0.36
SolGold plc	LSE:SOLG	\$0.38	-8%	-15%	-41%	\$697.6	\$1.50	\$1.40
Aurion Resources Ltd.	TSXV:AU	\$1.66	-8%	-22%	52%	\$138.1	\$2.75	\$2.75
Brixton Metals Corporation	TSXV:BBB	\$0.30	-9%	-23%	88%	\$40.3	\$0.40	\$0.40
Chalice Gold Mines Limited	ASX:CHN	\$0.17	1%	-5%	33%	\$47.1	NA	NA
De Grey Mining Limited	ASX:DEG	\$0.05	3%	-8%	-57%	\$48.4	Under Review	Under Review
Fiore Gold Ltd	TSXV:F	\$0.46	-13%	-13%	34%	\$44.5	NA	NA
FireFox Gold Corp.	TSXV:FFOX	\$0.16	-24%	10%	-47%	\$5.9	\$0.55	\$0.45
Gran Colombia Gold Corp.	TSX:GCM	\$5.05	-9%	-10%	79%	\$247.5	\$10.00	\$6.00
Group Ten Metals Inc.	TSXV:PGE	\$0.19	3%	32%	6%	\$17.0	NA	NA
GT Gold Corp.	TSXV:GTT	\$0.99	-17%	-20%	62%	\$114.9	NA	NA
Japan Gold Corp.	TSXV:JG	\$0.34	-12%	26%	55%	\$47.6	NA	NA
Lion One Metals Limited	TSXV:LIO	\$0.65	-2%	-7%	60%	\$67.0	\$1.70	\$1.35
Mako Mining Corp.	TSXV:MKO	\$0.22	23%	79%	26%	\$125.5	NA	NA
Mawson Resources Limited	TSX:MAW	\$0.18	0%	0%	-8%	\$25.6	\$0.90	\$0.79
Minera Alamos Inc.	TSXV:MAI	\$0.18	-5%	3%	94%	\$61.9	\$0.40	\$0.40
North American Palladium Ltd.	TSX:PDL	\$15.35	-3%	5%	42%	\$903.2	\$28.00	\$25.00
Novo Resources Corp.	OTCPK:NSRP.F	\$2.36	2%	-1%	-10%	\$421.6	NA	NA
Orford Mining Corporation	TSXV:ORM	\$0.11	24%	-5%	-30%	\$10.0	NA	NA
Pacton Gold Inc.	TSXV:PAC	\$0.20	-15%	15%	-40%	\$34.6	NA	NA
Sailfish Royalty Corp.	TSXV:FISH	\$1.22	3%	-23%	23%	\$72.6	NA	NA
Seabridge Gold Inc.	TSX:SEA	\$18.88	-10%	-2%	5%	\$1,188.1	\$48.00	\$29.00
Wallbridge Mining Company Limited	TSX:WM	\$0.37	-9%	-14%	131%	\$183.4	NA	NA
Average			-3%	-2%	14%			

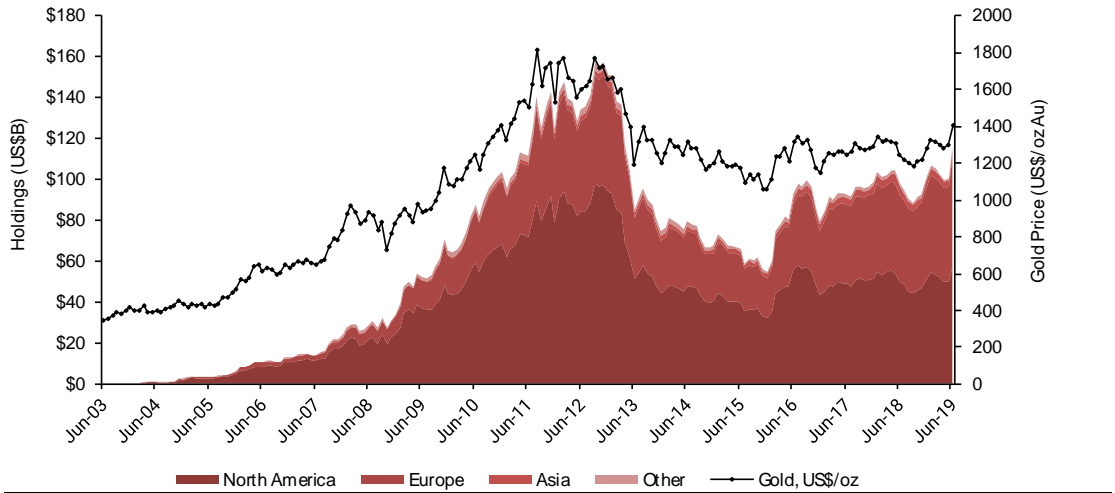
Source: Company Reports, RCKS Estimates, Capital IQ

Figure 3: Gold price versus real interest rates



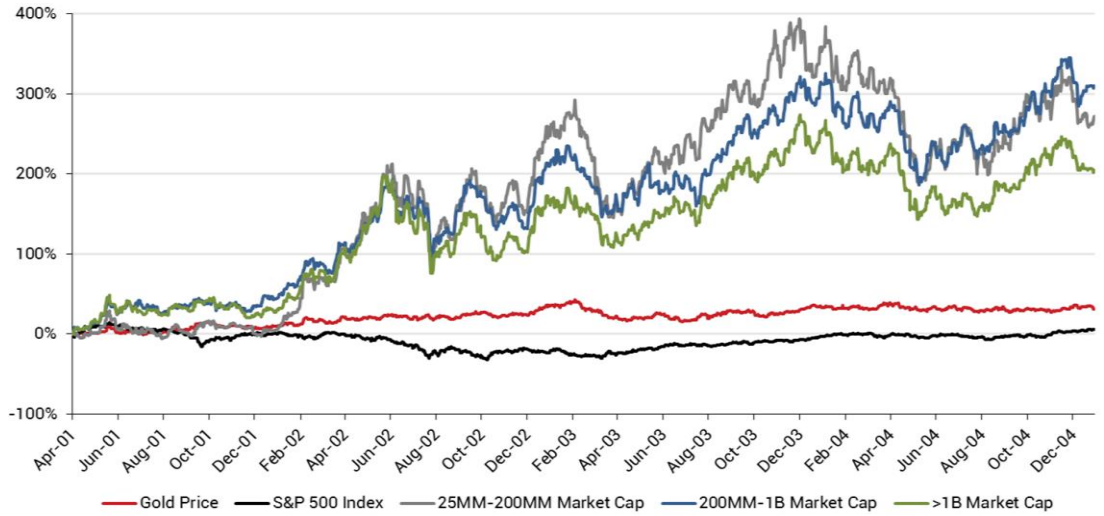
Source: Company Reports, RCKS Estimates, Capital IQ

Figure 4: Global gold-backed ETF holdings



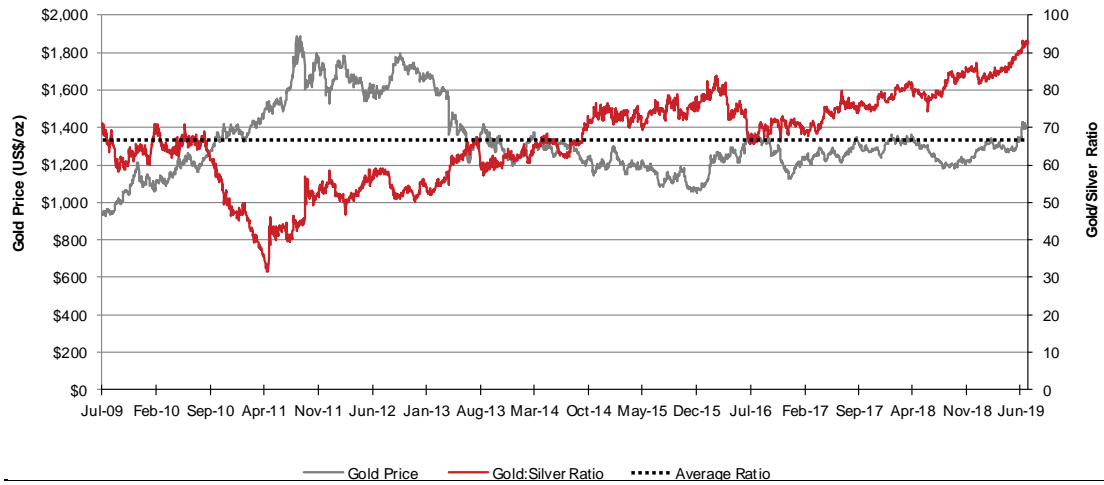
Source: Company Reports, RCKS Estimates, Capital IQ

Figure 5: Relative performance of gold companies: April '01 – December '04



Source: Company Reports, RCKS Estimates, Capital IQ

Figure 6: Gold:Silver Ratio



Source: Company Reports, RCKS Estimates, Capital IQ

Coverage Update

Aurion Resources Ltd. (TSXV:AU)

Analyst: Derek Macpherson

Fair Value Estimate: C\$2.75/share (unchanged)

Methodology: Probability Based Valuation Method

Commentary:

Aurion Resources Ltd. is a gold explorer advancing its exploration assets in Finland where the company is currently focused on drilling Aamurusko, located within the wider Risti project, which is Aurion's flagship asset. The geologic setting at Aamurusko shows similarities to a gold belt not unlike the Timmins camp of the Abitibi province in Northern Ontario. As a result, Aurion is well positioned to make multiple discoveries along the 80km trend of the Shirkka Shear zone. We continue to expect high-grade intercepts from Risti and expect the ongoing drilling to demonstrate some continuity of the high-grade gold zones at Aamurusko and beyond. With an estimated C\$22M in cash following a recent private placement led by mine financier Eric Sprott, the company is well funded to continue drilling and has recently added a second helicopter supported drill rig to accelerate exploration efforts.

With a growing portfolio of high-grade gold targets supported by exploration success, we maintain fair value estimate of C\$2.75/share.

Catalysts:

1. Drill results from Aamurusko (H2/19)
2. Further exploration results from Launi (H2/10)

See our Previous Research [here](#).

Aquila Resources Ltd. (TSX:AQA)

Analyst: Derek Macpherson

Fair Value Estimate: C\$0.45/share (was C\$0.36/share)

Methodology: NAVPS_{10%} estimate

Commentary:

Aquila is a zinc/gold/silver developer focused on advancing its Back Forty VMS project in Michigan to production. The company is currently in the process of permitting Back Forty, where the Mining and Wetland permits have been contested. The company announced in May that the Michigan Department of Environment, Great Lakes and Energy reached a final decision to uphold Aquila's Mining permit, which was in-line with our expectations and is the outcome we are expecting for the same judge's ruling on the Wetlands Permit. We expect a definitive announcement in November on the Wetlands Permit.

Our higher gold price has increased our fair value estimate to C\$0.45/sh (was C\$0.36/sh), which is based on 0.60x our NAVPS estimate of C\$0.75/sh (was C\$0.60/sh).

Catalysts:

1. Further permitting updates
2. PEA Update (Q3/2019)
3. Surfacing value of Wisconsin assets (2019)

See our Previous Research [here](#).

Brixton Metals Corp. (TSXV:BBB)

Analyst: Jacob Willoughby

Fair Value Estimate: C\$0.40/sh (unchanged)

Methodology: Probability Based Valuation Method

Commentary:

Brixton is a precious metals explorer focused on advancing its wholly-owned Thorn and Atlin projects in British Columbia's Golden Triangle. Recent exploration results from Thorn highlighted 555m grading 1.97 g/t AuEq, which we found particularly encouraged due to the presence of mineralized porphyry clasts within the hole and evidence of multiple styles/pulses of mineralization, which suggests the company may be closing in on a porphyry discovery. Additionally, the company is actively drilling at its Atlin project, and that we should expect first results in H2 2019. With an estimated C\$8M in cash following a recent private placement led by mine financier Eric Sprott, the company is well funded to advancing its exploration efforts in BC.

Based on Atlin and Thorn alone, we have a fair value estimate of C\$0.40/sh for Brixton.

Catalysts:

1. Results from surface work from Atlin (Q2/19)
2. Drill results from Thorn and Atlin (Q3/19)

See our Previous Research [here](#).

Chalice Gold Mines Ltd. (ASX:CHN)

Analyst: Jacob Willoughby

Commentary:

Chalice is a gold focused explorer with a portfolio of exploration stage assets in Australia. With renewed focus in its Australian assets, we believe Chalice is poised to re-rate on the first hint of drilling success. At Pyramid Hill, Chalice announced Phase 1 results from its reconnaissance drill program. Consequently, they have identified three high priority targets that require follow-up drilling. At the King Leopold nickel property in Western Australia (also called the Ruins Project), MLEM surveying generated nine conductive

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plates throughout the property which present compelling targets for future drilling. Drilling success at either project could translate to a dramatic value re-rate, as the company currently has working capital of C\$18M and enterprise value of C\$29M. We note that Catalyst Metals (ASX:CYL A\$161M Mkt Cap), exploring under surface alluvial cover next door to Chalice in Australia, saw a 400% lift on the back of impressive drilling.

Catalysts:

1. Drilling results from Pyramid Hill
2. Drill results from Ruins Project

See our Previous Research [here](#).

De Grey Mining Ltd. (TSX:DEG)

Analyst: Derek Macpherson

Fair Value Estimate: Under Review (was A\$0.35)

See our Previous Research [here](#).

Fiore Gold Ltd. (TSXV:F)

Analyst: Derek Macpherson

Commentary:

Fiore is a Nevada focused gold producer, which is focused on operational improvements at its Pan Mine in Nevada with the most recent improvement, a crusher addition, which should add 6-7koz of production per year. Additionally, the company expects to deliver organic growth from its adjacent Gold Rock development project. With Gold Rock already federally permitted, we believe there is a short path to production which should allow the company to organically grow to +100koz per year by 2022. We expect the stock to materially re-rate over the next 6-12 months, as the company continues to execute operationally, demonstrates organic growth to +100koz with Gold Rock and delivers a mine-life extension at Pan.

Catalysts:

1. Gold Rock exploration results (CH2 2019)
2. Pan exploration results (CQ4 2019)
3. PEA at Gold Rock (CQ4 2019)

See our Previous Research [here](#).

FireFox Gold Corp. (TSXV:FFOX)

Analyst: Derek Macpherson

Fair Value Estimate: C\$0.55/sh (was C\$0.45/sh)

Methodology: Probability Based Valuation Method

Commentary:

FireFox is advancing its summer field program at its Jeessio project in Finland. The company is testing it's Utsamo target, which sits between

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Aurion's Risti and Launi gold projects. Work to date at Utsamo suggests it hosts the major regional structure associated with local gold deposits. Upcoming activities include further sampling/mapping and detailed IP to define targets ahead of drilling. In our opinion, the company's current pricing does not reflect the potential of FireFox's highly prospective 80,000 ha land package within the CLGB.

Our updated fair value estimate, is the result of increasing the per ounce value's we ascribe to possible outcomes, reflecting the overall increase in peer multiples.

Catalysts:

1. Exploration results (ongoing)

See our Previous Research [here](#).

Gran Colombia Gold Corp. (TSX:GCM)

Analyst: Derek Macpherson

Fair Value Estimate: C\$10.00/sh (was C\$6.00/sh)

Methodology: One-year forward NTM EBITDA Estimate

Commentary:

Gran Colombia is a mid-tier gold producer operating two mines in Colombia. The company currently operates the Segovia and Marmato gold mines with a combined annual production of 225-240koz Au expected this year. The company has been steadily improving its operations and balance sheet, alongside potentially game-changing catalysts with the drill bit at Segovia and Marmato. On the heels of positive Q2/19 financial results, the company also decreased cost guidance for the year to <US\$680/oz even as it ramps up throughput at Segovia to 1,500 tpd. At the company's smaller Marmato operation, we are awaiting a PEA on the Marmato Deeps resource, which we are expecting to highlight a bulk mineable underground resource and could represent a step change in production profile for Colombia.

Using US\$1,500/ oz Au, our fair value has increased to C\$10/sh (was C\$6/sh), which is based on 4.0x our one-year forward, NTM EBITDA estimate of C\$184M (was C\$113M).

Catalysts:

1. Exploration results (ongoing)
2. Q3/19 operating and financial results (Q4/19)
3. Marmato PEA (H2/19).

See our Previous Research [here](#).

Group Ten Metals Inc. (TSXV:PGE)

Analyst: Jacob Willoughby

Commentary:

Group Ten is a mineral explorer focused on the discovery and development high-quality platinum, palladium, nickel, copper, cobalt and gold exploration assets in North America. The company is currently focused on advancing its Stillwater West PGE-Ni-Cu project, which is adjacent to Sibanye-Stillwater's high-grade PGE mines in Montana, USA. With Measured and Indicated Resources of 57.2 million tonnes grading 17.0 g/t Pt+Pd (31.3Moz) and 92.5 million tonnes grading 16.6 g/t Pt+Pd containing (49.4Moz), the Stillwater Complex is recognized as one of the top regions in the world for PGE-Ni-Cu mineralization, alongside the Bushveld Complex and Great Dyke in southern Africa. The company has recently secured C\$2.4M in funding via an oversubscribed private placement in August 2019, which has well positioned the company to drill Stillwater West, which is currently underway.

Catalysts:

1. Announcement of 2019 exploration plans
2. Release results from full-suite re-assay of holes only
3. Exploration results from 2019

See our Previous Research [here](#).**GT Gold Corp (TSXV:GTT)**

Analyst: Derek Macpherson

Commentary:

GT Gold is a gold explorer focused on advancing its recent Saddle North gold-copper discovery to the resource stage by early 2020. The company's Saddle North deposit is an impressive discovery with the potential to become a large-scale mining operation with a combination of open pit and underground block caving. The company has completed its 10,000m Phase 1 drill program with ~6,348m assays pending and moved onto its Phase 2 15,000m drill program. We expect the Phase 2 program to culminate in a maiden resource for Saddle North in early 2020. As GT continues to aggressively explore Saddle North in 2019, we believe the market is likely to remain focused on this deposit's potential, positioning share price performance to be driven by exploration success.

Catalysts:

1. Exploration results (Ongoing)
2. Maiden inferred resource (H1/2020)

See our Previous Research [here](#).

Japan Gold Corp. (TSXV:JG)

Analyst: Jacob Willoughby

Commentary:

Japan Gold is a mineral explorer focused on leveraging its first-mover advantage as the first foreign exploration company to focus entirely on gold exploration in Japan. The company's portfolio includes 18 projects covering areas with known gold occurrences and cover at least 42 historically producing mines and workings. Sumitomo Metal Mining's Hishikari gold mine is still operating today, which is located on the island of Kyushu and has produced in excess of 7.6Moz Au between 1985-2018 at average gold grades of 30-40 g/t Au. The company has recently secured C\$7.1M in funding via an oversubscribed private placement in August 2019, which has well positioned the company to commence drilling. Phase 1 drilling is currently underway at Ohra-Takamine (2,100m) and at Kitano-o Goldfield (3,000m).

Catalysts:

1. Drill results from Ohra-Takamine
2. Drill results from Kitano-o Goldfield

See our Previous Research [here](#).**Lion One Metals Ltd (TSXV:LIO)**

Analyst: Derek Macpherson

Fair Value Estimate: C\$1.70/sh (was C\$1.35/sh)

Methodology: NAVPS_{8%} estimateCommentary:

Lion One Metals is a Canadian development and exploration company focused on advancing its 100% owned, high-grade, low-cost, underground Tuvatu Gold Project in Fiji. While we believe the potential exists for smaller-scale high-grade mine, the regional exploration potential of this project is likely to provide the largest win for investors. We believe that the company's Tuvatu property sits within an expansive alkaline epithermal gold system. These systems can form some of the largest gold deposits on earth, such as the nearby Vatukoula deposit (7Moz Au). With drilling underway Lion One could be on the cusp of demonstrating the world class potential of its Tuvatu project in Fiji.

We increased our fair value estimate to C\$1.70/sh (was C\$1.35/sh), which is based on 0.70x our NAVPS estimate of C\$2.44/sh (was C\$1.93/sh).

Catalysts:

1. Exploration updates (ongoing)
2. Project development updates (ongoing)

See our Previous Research [here](#).

Mako Mining Corp. (TSXV:MKO)

Analyst: Derek Macpherson

Commentary:

Mako is a gold development company focused on advancing its San Albino into production quickly and efficiently, while continuing exploration of prospective targets in Nicaragua. Mako is completing predevelopment work at San Albino where it appears to have to be growing the deposit with new shallow high-grade zones which could benefit and project economics. Systematic exploration continues to highlight near mine expansion potential and enhances Mako's value proposition for significant near-term cash flow generation. At US\$1500/oz Au, using US\$500/oz cash costs and assuming +40koz per year, we now expect Mako to generate US\$35-40M in EBITDA annually, once in production.

Despite being up nearly 67% in the last 4 weeks, we believe Mako still has the potential to double. Based on our rough estimates Mako trades at less than 2.5x 2021E EBITDA.

Catalysts:

1. Additional drill results (Q2/19)
2. Updated economic study resource (H1/20)

See our Previous Research [here](#).

Mawson Resources Ltd (TSX:MAW)

Analyst: Derek Macpherson

Fair Value Estimate: C\$0.90/sh (was C\$0.79/sh)

Methodology: Probability Based Valuation Method

Commentary:

Mawson is a gold explorer focused on its Rompas-Rajapalot project in Finland. Mawson has been advancing its Finnish projects for multiple years, and we believe the company has gained significant momentum at unlocked the geologic controls for high grade gold at Rajapalot. We are encouraged by Mawson's ongoing drilling success this season and continue to believe that the company should at least double the resource at Rajapalot. With an unconstrained inferred maiden resource of 482koz grading 2.4g/t AuEq (1.7g/t Au and 0.041% Co), the project is off to a good start and we expect the resource to grow materially with the next drill program. In our view, Mawson has shifted from exploration to resource development and we believe that company has already doubled the existing resource with the 2019 winter drilling program and based on the geophysics this resource could be 2-3x larger. We expect the existing resource to double following this past winter's drill program and further growth is likely when the company resumes drilling.

We increased our fair value estimate to C\$0.90/sh (was C\$0.79/sh), using our probability-based valuation methodology. Our increase was driven by an

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increase to our in-situ value estimates for the 3 scenarios; and reduced time to expected success, partially offset by our expectation that the next capital raise is likely to be at a lower than previously estimated price.

Catalysts:

1. Resumption of Drilling (Q4/19)
2. Updated Resource (H1/20)

See our Previous Research [here](#).

Minera Alamos Inc (TSXV:MAI)

Analyst: Derek Macpherson

Fair Value Estimate: C\$0.40/sh (unchanged)

Methodology:

Commentary:

Minera Alamos is a gold development stage company with two ready-to-build assets in northwest Mexico. We expect the first to start production mid-2020, followed by the second in mid-2021. Based on this aggressive timeline, we believe the company should produce 86k oz at AuEq at US\$627/oz Au by 2022, generating C\$77.9M in EBITDA. With a team that has done it before in Mexico, we believe this timeline is achievable. We expect the stock to re-rate as the market gains comfort regarding the production and cost guidance provided.

We recently initiated coverage with a fair value estimate of \$0.40 per share (derived from 0.8x our base case 8% NAVPS of C\$0.51).

Catalysts:

1. Project funding for Santana (Q3/19)
2. Phase II drill results from Santana (H2/19)
3. Maiden Resource for Santana (Q1/20)

See our Previous Research [here](#).

North American Palladium Ltd (TSX:PDL)

Analyst: Derek Macpherson

Fair Value Estimate: C\$28/sh (was C\$25/sh)

Methodology: One-year forward, NTM EBITDA estimate

Commentary:

North American Palladium is a +200koz/year primary palladium producer with 25 years of production at the Lac des Iles Mine in the low-risk jurisdiction northwest of Thunder Bay, Ontario. The company recently released solid Q2/19 results and announced a special dividend of C\$0.35/sh, on top of its regular quarterly dividend of C\$0.10/sh. We think the special dividend is an important signal of confidence to the market and that improved operating performance QoQ, the underground expansion being on-track and continued strength in the palladium price, sets the pace for continued cash

flow generation. We believe the company's ability to generate FCF and thus, return capital to shareholders, should drive the stock higher.

Increasing our Palladium price to US\$1,400/ oz (was US\$1,300/oz) has increased our fair value estimate to C\$28/sh (was C\$25/sh), which is based on 6.0x our one-year forward, NTM EBITDA estimate of C\$270M (was C\$245M).

Catalysts:

1. Exploration updates (ongoing)
2. Q3 Operating and financial results (Q4/19)
3. Possible Q3/19 special dividend (Q4/19)

See our Previous Research [here](#).

Novo Resources Corp (TSXV:NVO)

Analyst: Derek Macpherson

Commentary:

Novo is a gold explorer/developer focused on advancing its portfolio of gold properties in the Pilbara of Western Australia. The company has recently announced results from four bulk samples on its Egina project with ore grade results from three of four samples. With a recently announced US\$30M farm-in with Sumitomo Corp, Novo is well positioned with the technical knowledge and financial support to develop its Egina property. We expect the market could price in the potential at Egina with successful bulk sampling. At the company's more advanced Beaton's Creek project, Novo announced the receipt of mining leases and approvals for allowing it to move ahead to evaluate development options. In our view, the 903,000 oz Au grading 2.6 g/t Au (M&I+I) resource at Beatons Creek supports the projects viability for a stand-alone operation.

Catalysts:

1. Bulk sampling and permitting update at Karratha (H2/19)
2. Systematic bulk sampling work at Egina (Q2/19)

See our Previous Research [here](#).

Orford Mining Corp (TSXV:ORM)

Analyst: Jacob Willoughby

Commentary:

Orford Mining is a gold explorer focused on its Qiqavik project in the Cape Smith Belt of northern Quebec. The company is undertaking a third phase of exploration at Qiqavik where it is drill testing targets identified through detailed surface work and geophysics. Targets identified to date include the western portion of the Interlake grid where IP results are pending as well as the Esperance area where the company is analyzing conductor results. We expect that as data continues to be consolidated and processed, additional

areas of interest are likely to be identified. We view Orford as an inexpensive call option on district scale exploration, which we believe could re-rate the company's share price on the first hint of drilling success. Having Alamos Gold validate the investment thesis earlier this year only adds to our certainty that it is only a matter of time.

Catalysts:

1. 2019 Exploration results (H2/19)

See our Previous Research [here](#).

Pacton Gold Inc (TSXV:PAC)

Analyst: Jacob Willoughby

Commentary:

Pacton Gold is a gold explorer with two prospective assets in the Pilbara district of Western Australia and the Red Lake district of Ontario. With geophysical analysis, Pacton is quickly advancing its Red Lake project to be drill ready for later this summer. In Australia, Pacton recently released promising prospecting results from its Friendly Creek tenements where it appears to be closing in on a vein hosted gold target while also advancing its other Australian projects including the Boodalyerrie and Yandicoogina Gold Projects. With exploration targets on two continents and C\$5.6M of funding in place, we expect the coming season to be value creating for shareholders.

Catalysts:

1. Initial exploration results from Boondalyerrie and Yandicoogina (H2/19)
2. Results from Egina alluvial exploration (H2/19)
3. Survey and drill results at Red Lake (H2/19)

See our Previous Research [here](#).

Sailfish Royalty Corp (TSXV:FISH)

Analyst: Derek Macpherson

Commentary:

Sailfish Royalty Corp. is a precious metals royalty and streaming company with royalties and streams on producing, development and exploration stage projects. Mako Mining, operator of the San Albino project (3% NSR owned by Sailfish), is continuing to advance the San Albino project towards production, with first pour expected in mid-2020. We expect Sailfish to benefit from the start of production, as the 3% NSR is likely to deliver US\$1.5-2M in revenue. Additionally, it is our understanding the Eldorado Gold (TSX:ELD) is looking to monetize Tocantinzinho in Brazil, where Sailfish holds a 3.5% NSR. A new owner, that is actively advancing the project, would increase the value of this royalty for Sailfish. With the recent acquisition of a

3% NSR on the 2.7Moz Au Spring Valley Project in Nevada, Sailfish has become a growth-oriented royalty company.

Catalysts:

1. Development updates for San Albino (ongoing)
2. Development updates for Tocantinzinho (ongoing).

See our Previous Research [here](#).

Seabridge Gold Inc (TSX:SEA)

Analyst: Derek Macpherson

Fair Value Estimate: C\$48/sh (was C\$29/sh)

Methodology: NAVPS_{5%} Estimate

Commentary:

Seabridge's world-class KSM project with a Seabridge with its ~200Moz AuEq resource base makes it a go-to name in the current rising gold price environment and our target price increase reflects the leverage this company has to a higher gold price. The company continues to de-risk the project, with a final IBA agreement the next key milestone. Additionally, the company continues to have exploration optionality, with high-grade targets being tested at KSM and an initial drill program at its Snowstorm project in Nevada. We highlight that our valuation is based on the idea that Seabridge JV's the KSM project. With the largest gold companies, now needing projects of this scale and large base metal producers on the prowl we are confident this is likely.

As a result of our higher gold price estimates and modest decrease to the CAD/USD exchange rate we have increased our fair value estimate to C\$48/sh (was C\$29/sh), which is based on 0.70x our NAVPS estimate of C\$60.55/sh (was C\$41.30/sh).

Catalysts:

1. Updated mine plan
2. Drilling at Snowstorm (H2/19)
3. JV agreement to fund construction of KSM

See our Previous Research [here](#).

SolGold plc (TSX:SOLG)

Analyst: Derek Macpherson

Fair Value Estimate: C\$1.50/sh (was C\$1.40/sh)

Methodology: NAVPS_{8%} Estimate

Commentary:

SolGold continues to advance and expand its world-class Cascabel copper-gold project in Ecuador. With 68,354m of drilling completed since the last resource update, the company is continuing to expand the Alpala deposit, which is located within the wider Cascabel land package. The company

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plans to release a Mineral Resource Estimate (MRE#3) and an updated economic study for Alpala later this year. Additionally, the company is rapidly growing the quality and potential of its regional exploration targets throughout Ecuador, highlighting the company's significant value beyond Alpala.

As a result of our higher gold price estimates we have increased our fair value estimate to C\$1.50/sh (was C\$1.40/sh), which is based on 0.80x our NAVPS estimate of C\$1.88/sh (was C\$1.56/sh).

Catalysts:

1. Formal bid for Cornerstone (H2/19)
2. Alpala exploration results (Ongoing)
3. Exploration results from regional targets (Ongoing).

See our Previous Research [here](#).

Wallbridge Mining Company Ltd. (TSX:GCM)

Analyst: Jacob Willoughby

Commentary:

Wallbridge appears to have a growing understanding of the geological controls and drilling appears to be substantially expanding the Fenelon deposit beyond the small high-grade resource that was purchased (91.1 kt at 12.97 g/t Au). There is plenty of infrastructure in place due to the extraction of the underground bulk sample and the company is well positioned to undertake a small mining operation in the near term. We expect the stock to materially re-rate over the next 6-12 months, as the company demonstrates the mineralization potential at Fenelon.

Catalysts:

1. Exploration results (ongoing)
2. Permitting and Economic Analysis to support production decision (H2/20)

See our Previous Research [here](#).

Coverage Update

We are discontinuing coverage on the following names: Anaconda Mining Inc (TSX:ANX) and Lupaka Gold Corp (TSXV:LPK), our previous estimates for these companies should be disregarded.

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Company Specific Disclosure Details

Company Name	Ticker Symbol	Disclosures
Anaconda Mining	TSX:ANX	1,2,3,4
Aquila Resources Inc.	TSX:AQA	1,2
SolGold plc	LSE:SOLG	1,2,3,4
Aurion Resources Ltd.	TSXV:AU	1,2,3,4
Brixton Metals Corporation	TSXV:BBB	2,3,4
Chalice Gold Mines Limited	ASX:CHN	2,4
De Grey Mining Limited	ASX:DEG	1,2,3,4
Fiore Gold Ltd	TSXV:F	1,2,3,4
FireFox Gold Corp.	TSXV:FFOX	1,2,3,4
Gran Colombia Gold Corp.	TSX:GCM	1,2,3,4
Group Ten Metals Inc.	TSXV:PGE	2,3,4
GT Gold Corp.	TSXV:GTT	1,2,3,4
Japan Gold Corp.	TSXV:JG	2,3,4
Lion One Metals Limited	TSXV:LIO	1,2,4
Lupaka Gold Corp.	TSXV:LPK	1,2,3,4
Mako Mining Corp.	TSXV:MKO	1,2,4
Mawson Resources Limited	TSX:MAW	1,2,3,4
Minera Alamos Inc.	TSXV:MAI	2,4
North American Palladium Ltd.	TSX:PDL	1,2,3,4
Novo Resources Corp.	OTCPK:NSRP.F	1,2,3,4
Orford Mining Corporation	TSXV:ORM	1,2,3,4
Pacton Gold Inc.	TSXV:PAC	1,2,3,4
Sailfish Royalty Corp.	TSXV:FISH	1,2,4
Seabridge Gold Inc.	TSX:SEA	2,4
Wallbridge Mining Company Limited	TSX:WM	1,2

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