

## Galleon Gold Corp. (TSXV:GGO)

### Best Results Reported to Date at West Cache's Zone #9

## Exploration Update

October 5, 2022

(Currency is C\$ unless noted otherwise)

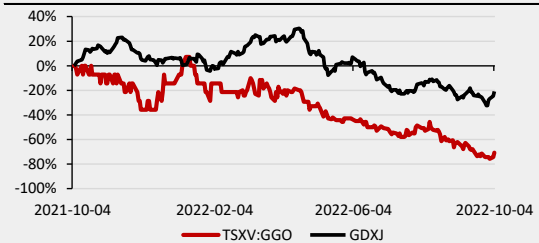
Closing Price (C\$/sh)	\$0.21
Rating	BUY
Target (C\$/sh)	\$3.35
Return to Target	1534%
52 Week Low / High (C\$/sh)	\$0.16 / \$0.85

CAPITALIZATION	Basic	Diluted
Shares Outstanding (M)	54.4	71.7
Market Capitalization (C\$M)		\$11.2
Enterprise Value (C\$M)		\$6.8
Cash and Cash Equivalents (C\$M)		\$4.3
Total Debt (C\$M)		\$0.0

#### STOCK CHART



#### RELATIVE PERFORMANCE



VALUATION	C\$M	C\$/sh
West Cache	\$255.67	\$4.70
Neal	\$0.64	\$0.01
Corporate adjustments	\$4.32	\$0.08
Corporate NAV	\$260.64	\$4.79
Multiple	0.7x	0.7x
<b>Target</b>	<b>\$182.44</b>	<b>\$3.35</b>

RELATIVE VALUATION	US\$EV/oz Au Eq
Galleon Gold Corp.	\$5
Peers*	\$25

\*S&P Market Intelligence

#### MAJOR SHAREHOLDERS

Management (2.44%), Sprott, Eric (21.37%), Arrow Capital Management Inc. (0.12%)

DISCLOSURE CODE: 3, 4

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

Source: RCS, Company Information, S&P Capital IQ

#### Company Description

Galleon Gold Corp. engages in the acquisition, exploration, development, and evaluation of mineral properties in Canada and the United States. The company is primarily focused on the West Cache Gold Project that consists of 264 unpatented mining claims and three patented claims covering ~3,550 ha located west of Timmins, Ontario; and Galleon also has an interest in the Neal property with 5 patented mining claims covering ~22.4 ha, and another 7 unpatented lode claims covering ~52.6 ha located in Idaho, USA. The company, formerly known as Pure Nickel Inc., was incorporated in 1987 and is headquartered in Toronto, Canada.

#### Impact: Positive

Galleon reported additional results from the 2022 drill campaign at its 100%-owned West Cache Au project in Timmins, Ontario. The results are from hole WC-22-218, which was designed to test Zone #9 and a deeper test of several mineralized zones in the South Area. Importantly, this is the highest grade x width encountered within Zone #9 to date. **In our view, this is a positive result with a gold grade above expectations. It is also within the area where the company plans to conduct test mining, thus it bodes well for the economics of the early mine life of the project. Overall, we believe West Cache hosts "blue-sky" exploration potential that may be realized through further development work.**

- Best Zone #9 intercept drilled to date.** Hole WC-22-218 returned **15.6 g/t Au over 7.6m within a broader zone of 7.41 g/t Au over 18.1m** (Figures 1 – 3). The interval within hole WC-22-218 also intersected a near perpendicular angle that represents 98.5% of true thickness. Hole -218 was collared to intersect the South Area zones and provides deeper geological definition of hole WC-22-215, which previously encountered a broad interval of gold mineralization grading 2.85 g/t Au over 35.2m, including two intervals of sulphide-rich mineralization containing: 1) 13.29 g/t Au over 4.5m, including 79.2 g/t Au over 0.7m, and 2) 5.23 g/t Au over 5.7m, including 13.68 g/t Au over 1.7m ([read more](#)). Moving forward, Hole -218 is expected to be a part of the block model update of the underground bulk sample program, which should provide further support for the Pre-Feasibility Study (PFS).
- Assays pending for deeper portions of WC-22-218.** If this hole encounters mineralization, it would extend the known gold zones by ~90-120m down-dip from prior drilling, including previously reported hole WC-22-215. We note that these assays complement the three previously reported holes, where visible gold was identified ([read more](#)).
- Significant exploration work remains; PFS to be released shortly.** We note that only 8% of the property package has been explored to date, providing "blue-sky" upside potential to Galleon's current I&I resource of ~1.56M oz Au. This was outlined in the maiden PEA at West Cache earlier this year ([read more](#)). Moving forward, the company continues to be focused on the exploration program, pre-feasibility study, and continued test mining at Zone #9.

#### Valuation:

**We maintain our BUY rating and target price of C\$3.35/sh.** Our target is based on a sum-of-parts valuation, including a mine model for West Cache. Galleon trades at a discount on an EV/oz AuEq basis (US\$5/oz vs. peers at US\$25/oz), but we believe Galleon's top mining jurisdiction and strong management team should warrant a premium. **Catalysts:** 1) Exploration drilling focused on Zone #9 and the South Area (2022), 2) Permitting milestones (2022-2023), and 3) Test mining at Zone #9 (2023).

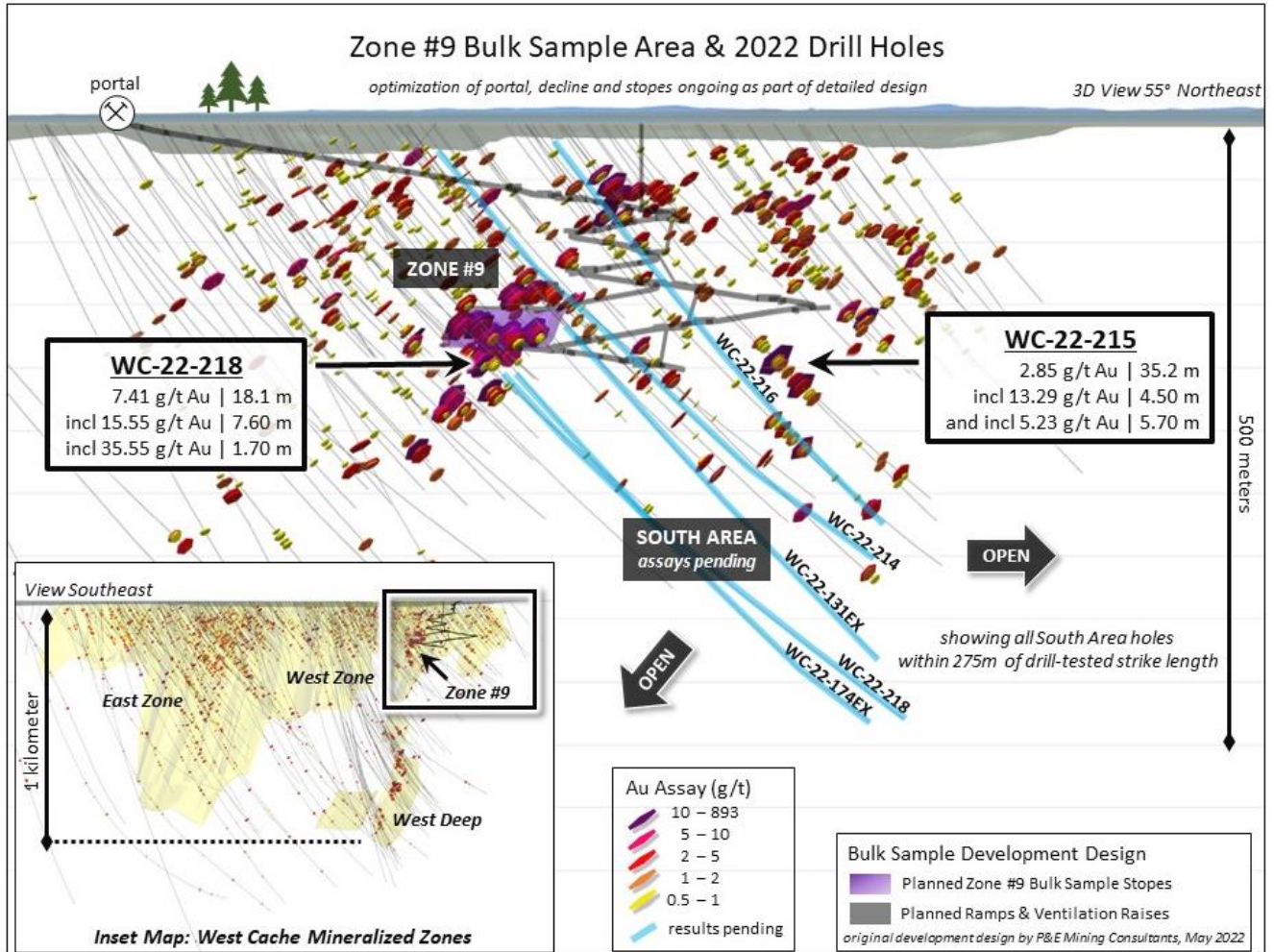
**Figure 1: Assay results from the upper part of hole WC-22-218**

Hole ID	From (m)	To (m)	Length (m)	Au (g/t)	Hole Azi.	Hole Dip	Total Depth (m)
WC-22-218	249.9	268.0	18.1	7.41	180.0	-51	750
including	251.9	259.5	7.6	7.6	15.55		

True thickness is ~98.5% estimated by combining angle to core axis mineral lineation measurements as logged in the core and solids modeling

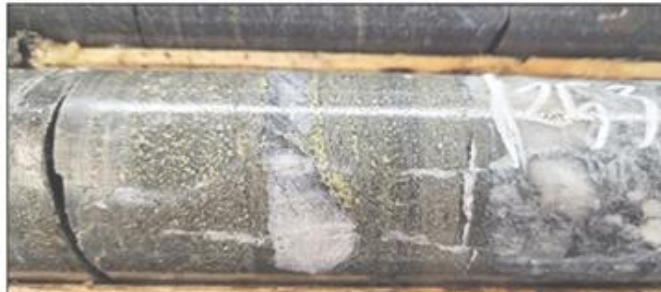
Source: Company Reports

**Figure 2: 3D View of Zone #9 Bulk Sample Area and 2022 Drill Holes**



Source: Company Reports

Figure 3: Core Photos of WC-22-218



56.2 g/t Au | 0.7 m (252.6 m – 253.3 m)  
*semi-massive "buckshot" pyrite with chalcopyrite and sphalerite*



22.3 g/t Au | 0.7 m (254.3 m – 255.0 m)  
*semi-massive "buckshot" pyrite with sphalerite and pyrrhotite*



26.3 g/t Au | 0.7 m (258.0 m – 258.7 m)  
*semi-massive "buckshot" pyrite with sphalerite*

Source: Company Reports

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Disclosure Statement  
Updated October 4, 2022

Recommendation / Target Change			Red Cloud Securities has this percentage of its universe assigned as the following:	
Date	Rating	Target	Status	%
2020-08-17	BUY	0.40	BUY	67%
2020-09-10	BUY	0.40	BUY (S)	25%
2020-09-30	BUY	0.40	HOLD	0%
2020-10-22	BUY	0.40	TENDER	2%
2020-10-29	BUY	0.40	NA	3%
2020-11-11	BUY	0.35	UNDER REVIEW	2%
2020-11-18	BUY	0.35		
2020-12-04	BUY	0.35		
2021-01-13	BUY	0.35		
2021-01-27	BUY	0.35		
2021-02-03	BUY	0.35		
2021-03-08	Under Review	Under Review		
2021-03-08	Under Review	Under Review		
2021-04-15	BUY	0.35		
2021-04-15	BUY	0.35		
2021-04-22	BUY	0.35		
2021-04-28	BUY	0.35		
2021-07-14	BUY	0.35		
2021-07-22	BUY	0.35		
2021-09-09	BUY	0.35		
2021-10-13	BUY	0.30		
2021-10-19	BUY	0.30		
2022-01-13	BUY	0.40		
2022-04-27	BUY	3.35		

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Company Name	Ticker Symbol	Disclosures
Galleon Gold Corp.	TSXV:GGO	1,2,3,4

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