

Galleon Gold Corp. (TSXV:GGO)

Results from West Cache Support Resource Growth

Exploration Update
March 2, 2023

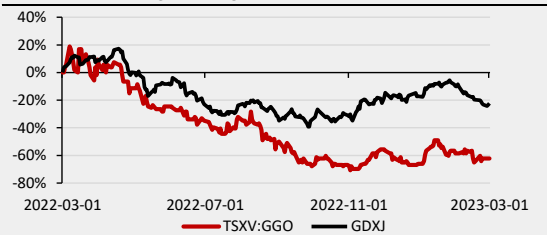
(Currency is C\$ unless noted otherwise)

Closing Price (\$/sh)	\$0.20	
Rating	BUY	
Target (\$/sh)	\$2.95	
Return to Target	1375%	
52 Week Low / High (\$/sh)	\$0.15 / \$0.70	
CAPITALIZATION		
	Basic	Diluted
Shares Outstanding (M)	61.5	80.2
Market Capitalization (\$M)		\$12.3
Enterprise Value (\$M)		\$8.9
Cash and Cash Equivalents (\$M)		\$3.4
Total Debt (\$M)		\$0.0

STOCK CHART



RELATIVE PERFORMANCE



VALUATION	C\$M	C\$/sh
West Cache	\$255.7	\$4.16
Neal	\$0.6	\$0.01
Corporate adjustments	\$3.4	\$0.05
Corporate NAV	\$259.7	\$4.22
Multiple	0.70x	0.70x
Target	\$182	\$2.95

RELATIVE VALUATION	US\$EV/oz Au Eq
Galleon Gold Corp.	\$7
Peers*	\$23

*S&P Market Intelligence

MAJOR SHAREHOLDERS

Management (3%), Sprott, Eric (19%), HNW Retail (8%)

DISCLOSURE CODE: 1, 2, 3

(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.

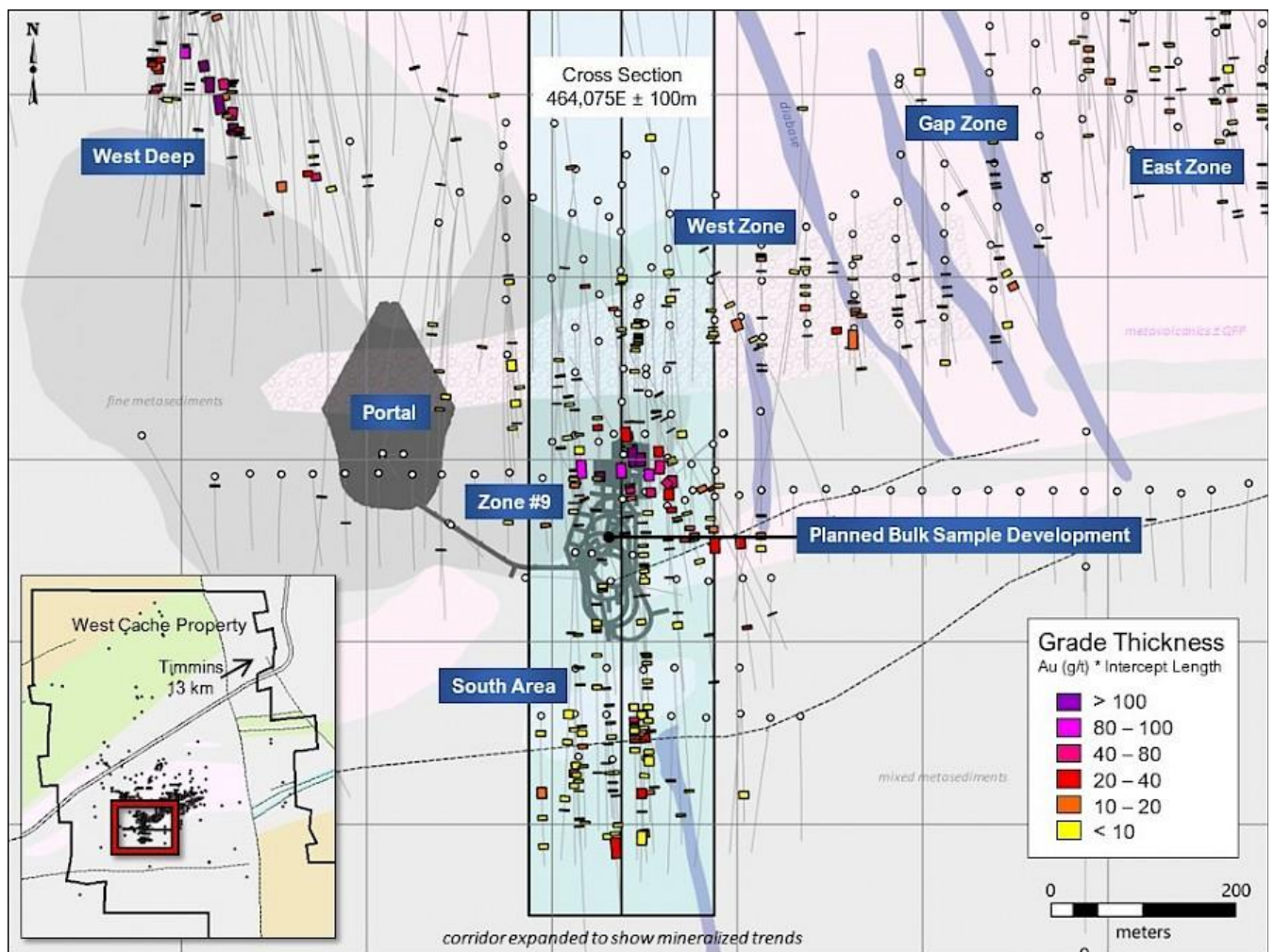
Impact: Positive

Galleon reported assays from exploration and geomechanical holes from the 2022/23 drill campaign at its 100%-owned West Cache Au project in Timmins, Ontario. These results, encompassing eight holes or 3,527m, focused on the South Area located south of Zone #9 and ~100m from the planned development ramps (Figure 1). Using the 1.6 g/t Au cut-off used in the 2022 resource estimate, results to-date from this drill campaign have generated a weighted average grade of 4.07 g/t Au over an average width of 6.7m, favourable to the indicated grade of 3.63 g/t Au. **In our view, these are positive results, further expanding on the South Area mineralization located near proposed development for Zone #9. As a result, the zone could be incorporated quickly into future mine plans. As well, the results from the geomechanical hole were positive, with a high-grade result that helps infill Zone #9.**

- South Area results appear to show two mineralized horizons.** Eight holes and extensions of previously drilled holes targeted the South Area, located ~300m south of Zone #9 and ~100m south of planned development ramps (Figure 2). Two mineralized horizons are evident, known as the Upper South zone and the Lower South zone. Results were highlighted by 8.76 g/t Au over 1.8m in the Upper South zone (WC-22-131EX), drilled ~100m west of the 2020 discovery hole. In addition, hole WC-22-218 extended the known gold zones by ~90-120m down-dip from prior drilling. Since the zone is close to existing infrastructure and could be included in the early stages of an eventual mine-plan, further exploration is being planned to further test the South Area.
- Geomechanical drilling complete; initial observations in-line with expectations.** Early observations from geomechanical holes, drilled to test several targets, including a vent raise, portal, and decline locations, are in-line with expectations and other parts of the Timmins Camp (results pending). One of these assays was drilled within Zone #9, highlighted by 5.53 g/t Au over 12.5m (WC-22-219A).
- Leading toward bulk sample program.** A focus in coming months will be on permitting and preparing for an 86,500t Zone #9 bulk sample. Resources suggest an average grade of 8.13 g/t Au would yield 22,600 oz.
- Significant exploration work remains; working toward a PFS.** 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](#)).

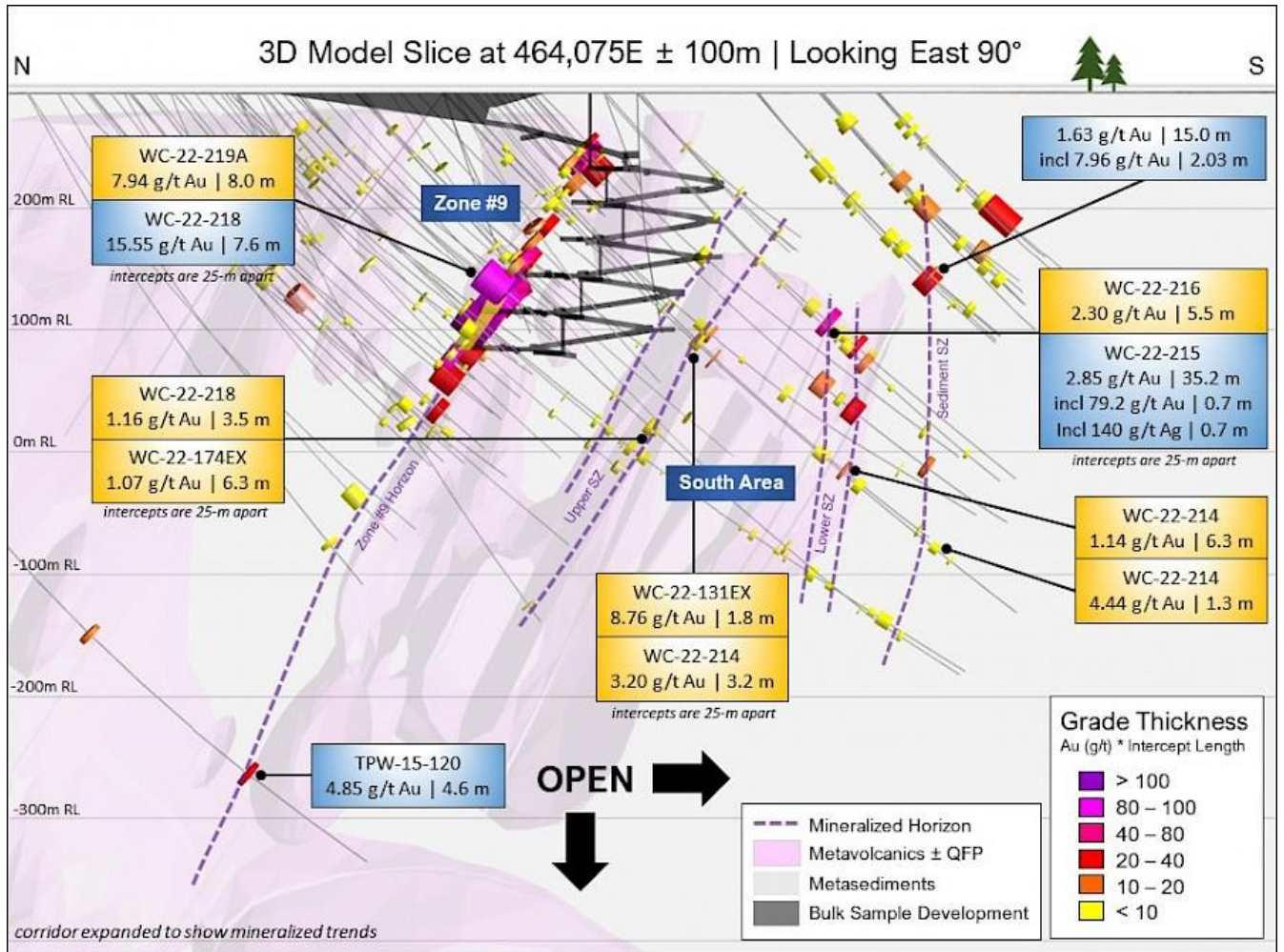
We maintain our BUY rating and lower our target price to C\$2.95/sh (was C\$3.35/sh). We have reduced our target price based to reflect an updated share structure following the Dec/2022 financing. Galleon trades at a discount on an EV/oz AuEq basis (US\$7/oz vs. peers at US\$23/oz). **Catalysts:** 1) 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: West Cache plan map and bulk sample area



Source: Company Reports

Figure 2: Cross-sectional view of the south area and planned bulk sample development



Source: Company Reports

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Disclosure Statement
 Updated March 1, 2023

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	73%
2020-09-10	BUY	0.40	BUY (S)	23%
2020-09-30	BUY	0.40	HOLD	0%
2020-10-22	BUY	0.40	TENDER	0%
2020-10-29	BUY	0.40	NA	1%
2020-11-11	BUY	0.35	UNDER REVIEW	3%
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		
2022-04-26	BUY	3.35		
2022-10-05	BUY	3.35		
2022-11-14	BUY	3.35		

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

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