

Galleon Gold Corp. (TSXV:GGO)

Near-Surface East Pit Mineralization Extended by 350m

Exploration Update

July 22, 2021

(Currency is C\$ unless noted otherwise)

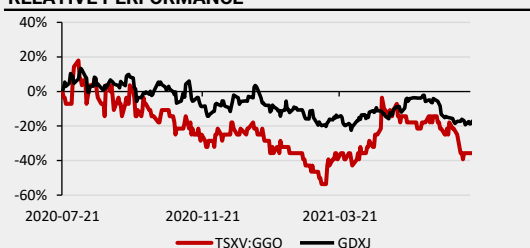
Closing Price (C\$/sh)	\$0.09
Rating	BUY
Target (C\$/sh)	\$0.35
Return to Target	289%
52 Week Low / High (C\$/sh)	\$0.07 / \$0.17

CAPITALIZATION	Basic	Diluted
Shares Outstanding (M)	470.9	650.1
Market Capitalization (C\$M)	\$42.4	
Enterprise Value (C\$M)	\$37.4	
Cash and Cash Equivalents (C\$M)	\$5.3	
Total Debt (C\$M)	\$0.3	

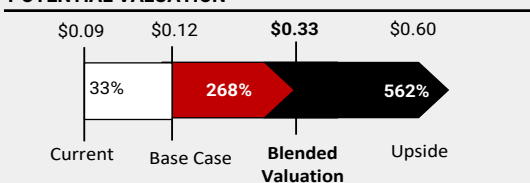
STOCK CHART



RELATIVE PERFORMANCE



POTENTIAL VALUATION



RELATIVE VALUATION	US\$/oz Au Eq
Galleon Gold Corp.	\$27
Peers*	\$43

*S&P Market Intelligence

MAJOR SHAREHOLDERS

Management (3.39%), Spratt, Eric (22.56%)

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 holds interests 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; and West Cache Gold Project that consists of 264 unpatented mining claims and three patented claims covering ~3,550 ha located west of Timmins, Ontario. It also has interests in various properties located in New Brunswick, Ontario, Quebec, and Manitoba, Canada. The company was formerly known as Pure Nickel Inc. and changed its name to Galleon Gold Corp. in December 2019. The company was incorporated in 1987 and is headquartered in Toronto, Canada.

Impact: Positive

Galleon Gold reported final assay results from the 2021 East Pit extension drill program at its 100%-owned, West Cache gold project near Timmins, Ontario (Figure 1). The results are from holes stepping out from past drilling, targeting the eastward extension of the East Pit area (Figure 2).

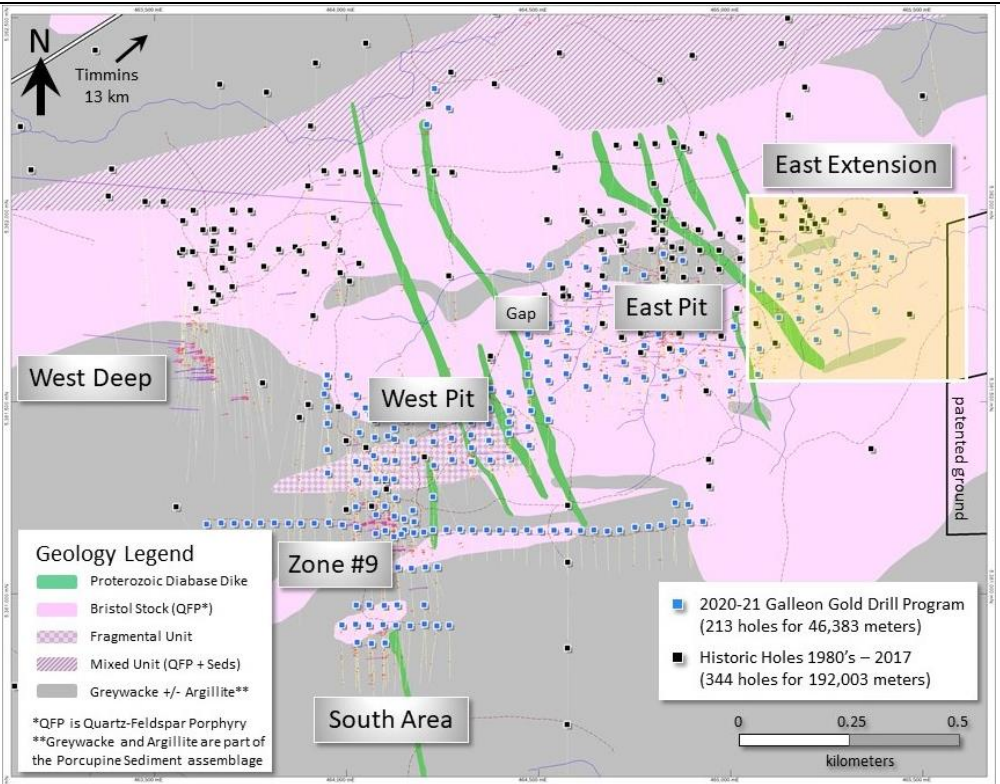
We believe these results are strong for Galleon as they continue to expand open pitable mineralization at the East Pit area. Zone #9 remains the focus for near-term development, but addition to the East Pit area is positive news, as it should add ounces to the upcoming resource update and PEA.

- **Drilling extends East Pit further east.** Step-out holes encountered multiple E-W trending mineralized zones, extending known mineralization another 350m to the east. The zone now extends for at least 850m. Typical intersections are 1-3 g/t Au over 1-6m widths, with multiple intersections in the same hole. Highlights include: 1) **1.75 g/t Au over 6m** (WC-21-208), 2) **1.51 g/t over 5.5m** (WC-21-205), and 3) **2.32 g/t Au over 4m** (WC-21-205) (Figures 3 and 4). **Importantly, these holes demonstrate the extension and continuity of multiple near surface stacked zones located under just 20-30m of glacial till.**
- **The East Pit remains open for expansion.** East Pit mineralization remains open along strike to the east, where there is 2.2km of strike potential to the property border. Also, drilling has yet to test a potential extension of mineralization to the west beyond the Gap area. Other areas also remain open for expansion, including the South Area where recent drilling had encountered new near-surface zones.
- **Likely to add ounces to open pit resource.** This project has multiple deposit areas, including both open pit and underground mining targets. The latest drilling continues to primarily delineate open pitable material in the East Pit extension, including some holes that delineate up-dip near-surface extensions from deeper historic drill holes. Furthermore, the geology is similar to much of the East Pit area as it represents an eastward extension of the same rock types, structures, and sulfide zones (Figure 5).

- **Focus shifts to the PEA.** These results will be incorporated into the updated resource estimate and PEA, which are anticipated in September. The updated resource is expected to incorporate over 213 new holes (>46,000m) and include a maiden resource for Zone #9. We expect the PEA to provide guidance on stope design and mining methods for a future test mining program, initially at Zone #9.

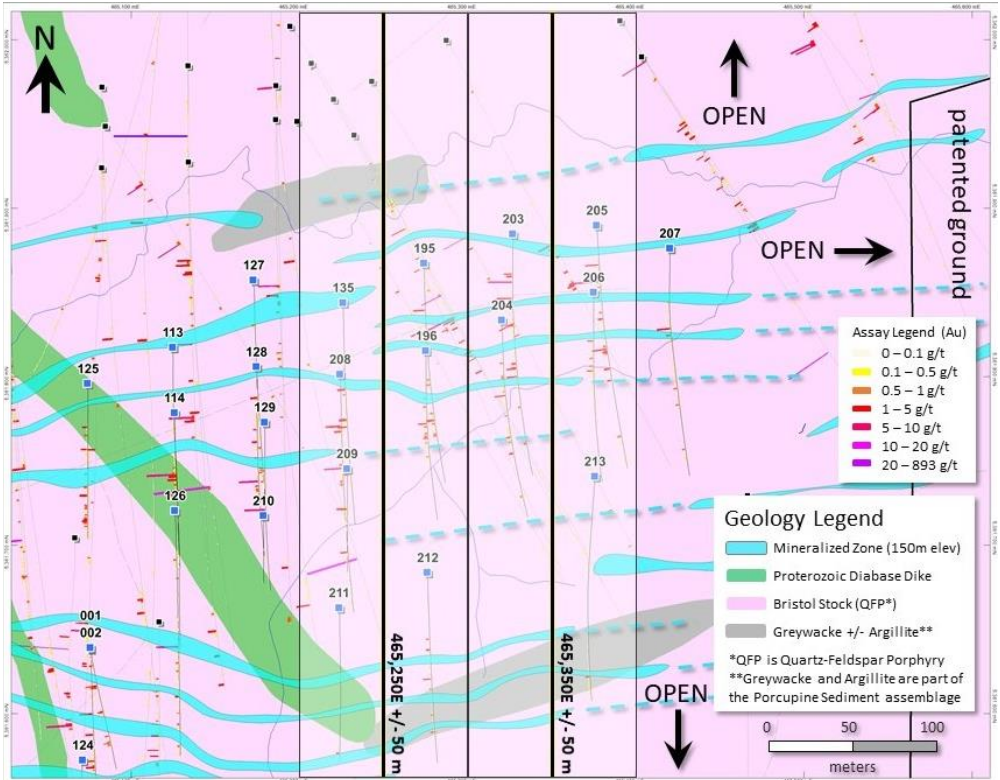
We maintain our BUY rating and C\$0.35/sh price target. Our target is based on our probability-based valuation method, which uses a sum-of-parts method to derive our blended valuation of ~C\$0.35/sh. Galleon trades at a discount on an EV/oz AuEq basis (US\$27/oz vs. peers at US\$43/oz), however, we believe Galleon's top mining jurisdiction and strong management team should warrant a premium. **Upcoming catalysts:** 1) West Cache resource update and PEA (Sept/21); 2) Exploration drilling in multiple areas potentially resuming in late Fall 2021.

Figure 1: Map of West Cache project showing target areas



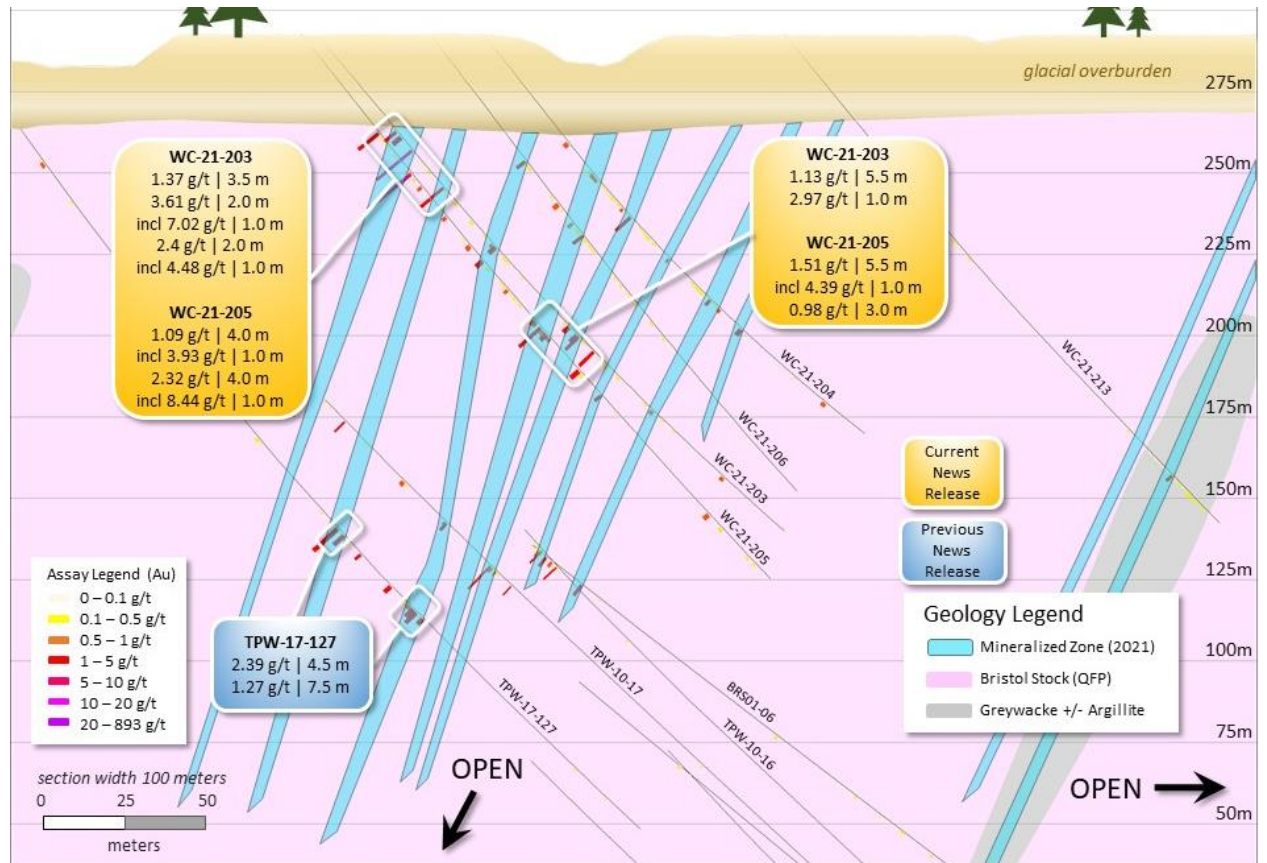
Source: Company Reports

Figure 2: East Extension Plan Map



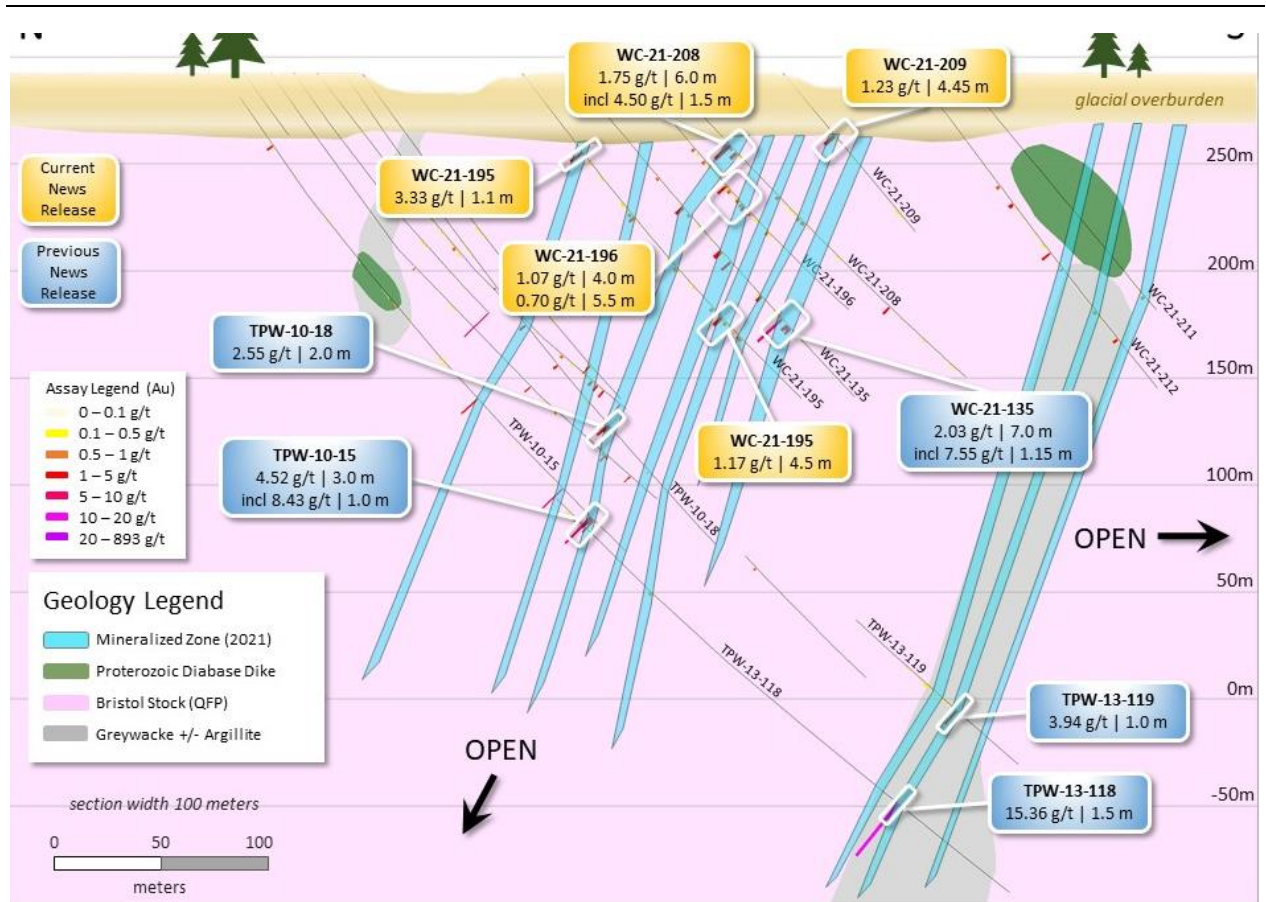
Source: Company Reports

Figure 3: Cross-section showing near surface mineralization 465,350E



Source: Company Reports

Figure 4: Cross-section showing near surface mineralization 465,250E



Source: Company Reports

Figure 5: East Extension Core Photos



WC-21-203: 60-61m with 4.48 g/t Au; sericite-altered quartz feldspar porphyry with multi-textured pyrite mineralization ranging from disseminated specks to 2cm subhedral grains.



WC-21-204: 71.5-72.5m with 3.04 g/t Au; albite-altered quartz feldspar porphyry with pyrite mineralization in shear zone with silica and chlorite.



WC-21-203: 121-123m with 2.15 g/t Au; bleached, sericite-altered quartz feldspar porphyry with stringer-style pyrite mineralization with chlorite. Minor fuschite.

Source: Company Reports

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Disclosure Statement

Updated July 21, 2021

Recommendation / Target Change			Red Cloud Securities has this percentage of its universe assigned as the following:	
Date	Rating	Target C\$/sh	Status	%
2020-08-17	BUY	0.40	BUY	69%
2020-09-10	BUY	0.40	BUY (S)	25%
2020-09-30	BUY	0.40	HOLD	0%
2020-10-22	BUY	0.40	SELL / Tender	0%
2020-10-29	BUY	0.40	NA	5%
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		

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

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