

## Galleon Gold Corp. (TSXV:GGO)

# Approval of Closure Plan Paves Way for Bulk Sampling

## Development Update

April 10, 2025

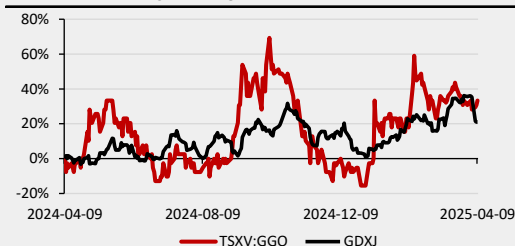
(Currency is C\$ unless noted otherwise)

Closing Price (\$/sh)	\$0.26
Rating	BUY
Target (\$/sh)	\$3.70
Return to Target	1323%
52 Week Low / High (\$/sh)	\$0.16 / \$0.33
CAPITALIZATION	
	Basic Diluted
Shares Outstanding (M)	68.5 89.0
Market Capitalization (\$M)	\$17.8
Enterprise Value (\$M)	\$19.6
Cash and Cash Equivalents (\$M)	\$1.5
Total Debt (\$M)	\$3.3

### STOCK CHART



### RELATIVE PERFORMANCE



### RELATIVE VALUATION

	US\$EV/oz Au Eq
Galleon Gold Corp.	\$13
Peers*	\$30

\*S&P Market Intelligence

### MAJOR SHAREHOLDERS

Management (3%), Sprott, Eric (20.08%), HNW Retail (15%), Novum Asset Management AG (0.94%)

### DISCLOSURE CODE:

(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.

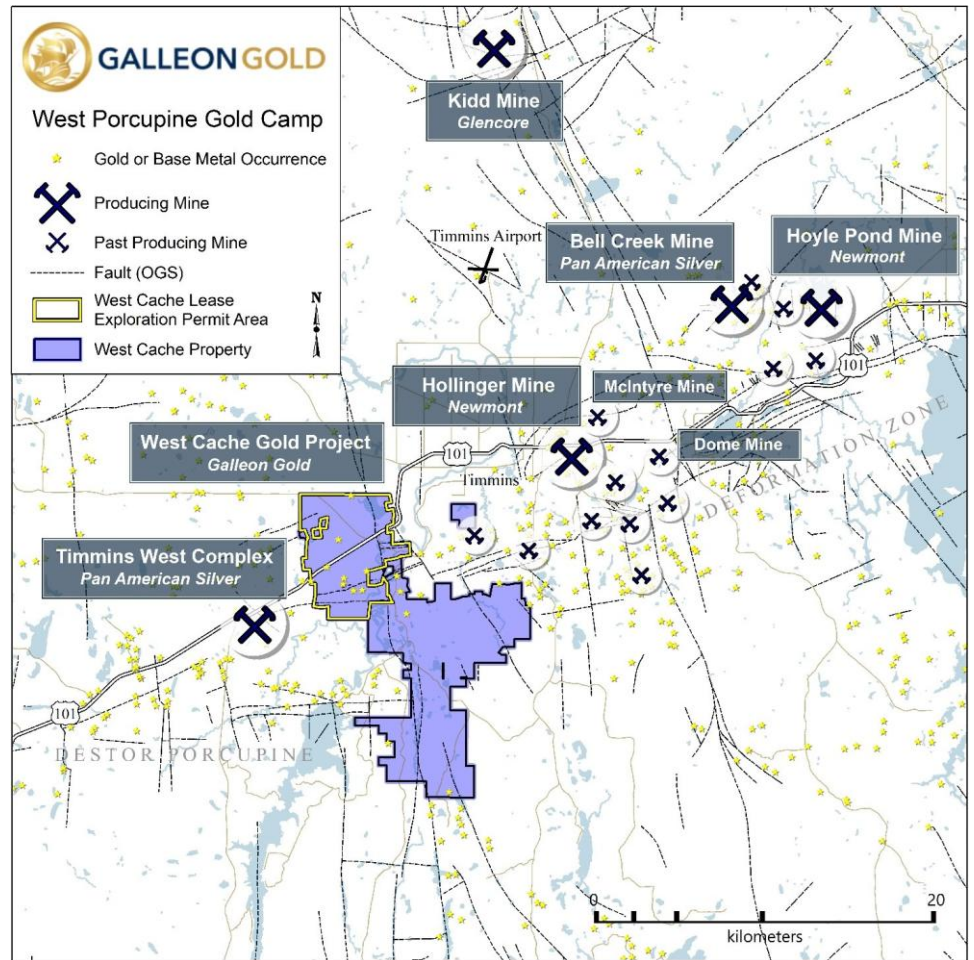
### Impact: Positive

Galleon announced that it has received Closure Plan approval from Ontario's Ministry of Energy and Mines, allowing it to proceed with the 86.5kt bulk sample program, for its 100%-owned West Cache Au project, located west of Timmins, Ontario. **The approval allows Galleon to initiate surface work, build roads and power lines, and start the box cut and pond construction. We view this announcement positively, as the commencement of the bulk sample program will help de-risk the West Cache project and advance it towards a PFS, while providing non-dilutive cash from 22.6k oz Au expected to be produced from this sample.** Data obtained from this bulk program will provide additional information on mining and processing methods. The approval of the Closure Plan allows the company to initiate work immediately, and we look forward to seeing additional updates as surface work advances.

- **Closure Plan approved.** The Closure Plan contains a complete project description, construction and mining plans, baseline characterization studies, rehabilitation and reclamation plans, and site monitoring programs to be implemented from advanced exploration to post-closure. Operating permits are still required for underground work, and these are currently being reviewed by the relevant ministries
- **Bulk sample to provide non-dilutive revenue.** The planned bulk sample consists of 86.5kt grading ~8.13 g/t Au for 22.6k oz of contained gold (pre-recovery). This program will target mineralization at depths of 150-210m in Zone #9, located in the southern part of the resource area, via an underground ramp. The material will be sent to one of the existing mills in the Timmins area, pending an agreement between Galleon and a mill owner. Galleon also plans to conduct underground drilling from the ramp, testing the relationship between Zone #9 and deeper mineralization. We believe the bulk sample could provide revenues of ~C\$70M (assuming US\$2,400/oz Au price), thereby significantly reducing project debt or equity financing requirements.
- **First step in broader plans at West Cache.** Data collected from the bulk sample program will be used for advanced pre-feasibility work. Ultimately, the company plans to build a larger operation at West Cache. The 2022 PEA contemplated an underground operation producing 893,200 oz Au over an 11-year mine life.
- **Adjusting our model.** We have pushed forward revenue from the bulk sample to Q1 2027, followed by full production in 2030, which gives Galleon enough time to finalize the mine development plan. This reduces our NAVPS to C\$5.28 (was C\$5.89).

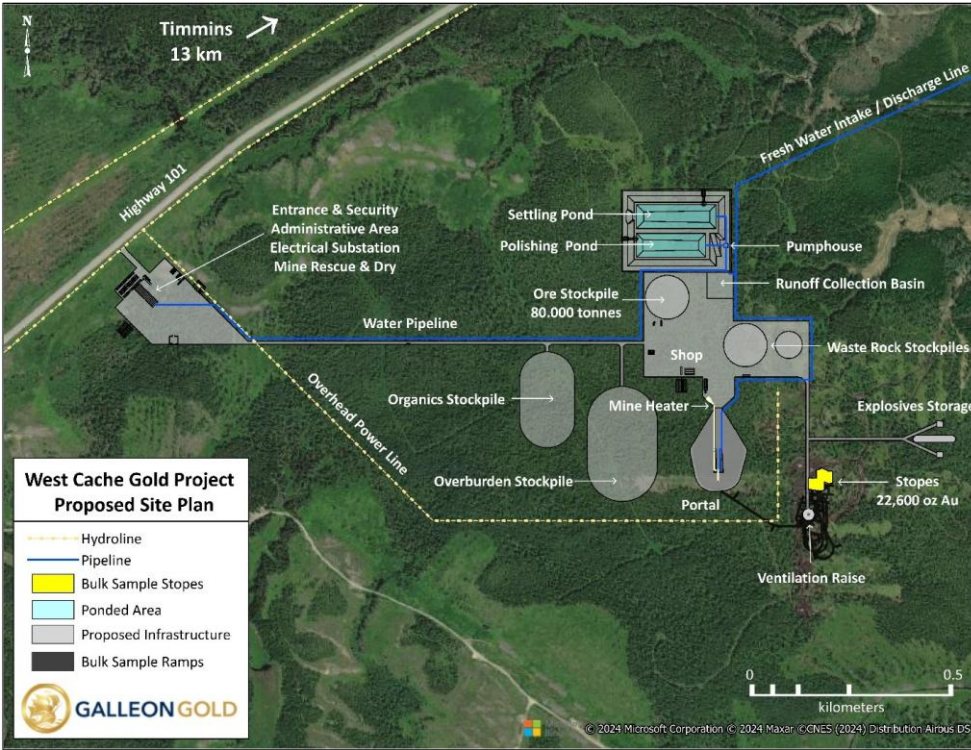
**We maintain our BUY rating and decrease our target price to C\$3.70/sh (was C\$4.15/sh).** Our target is based on a 0.70x multiple to our NAVPS of C\$5.28 (was C\$5.89), which was calculated using a DCF<sub>5%</sub> for the West Cache project. We believe the continued development of that project toward production will be key in re-rating the stock. **Upcoming Catalysts:** 1) Pre-construction site work for bulk sample (H1/2025), 2) Commencement of bulk sample (2026/2027), and 3) PFS (2027/2028).

**Figure 1: Map showing the location of West Cache and other current/historic mines in the Timmins area**



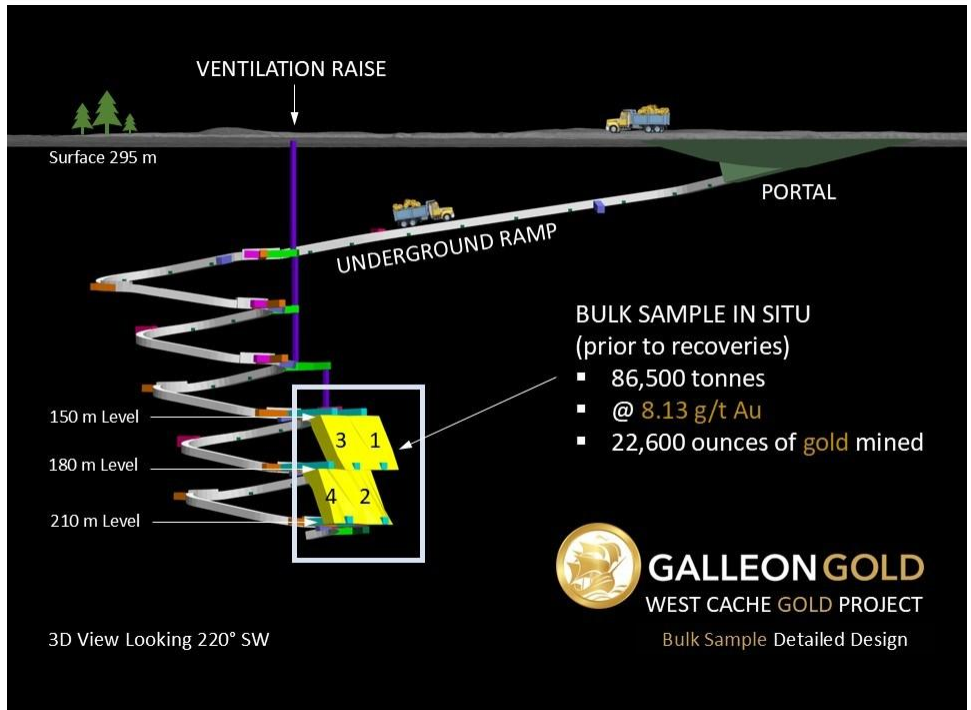
Source: Company Reports

Figure 2: Site layout for planned bulk sample program



Source: Company Reports

Figure 3: Planned portal and underground workings for the bulk sample program



Source: Company Reports

**Figure 4: Galleon NAV summary**

Asset	Status	Resource (Moz Au Eq)	Valuation Method	Fair Value Estimate		(%)
				(C\$M)	(C\$/sh)	
Core Projects						
West Cache	Development	1.6	DCF	\$795.1	\$5.69	108%
Neal	Exploration	NA	Exploration Credit	\$0.6	\$0.00	0%
Project NAV				\$795.7	\$5.69	108%
Cash				\$1.5	\$0.01	0%
Debt				(\$3.3)	(\$0.02)	0%
Corporate adjustments				(\$55.5)	(\$0.40)	-8%
Total Corporate Adjustments				(\$57.3)	(\$0.41)	-8%
Corporate NAV				\$738.4	\$5.28	100%

Multiple	0.7x
<b>Target Price</b>	<b>\$3.70</b>

Source: Company Reports



**Alina Islam | Mining Analyst**  
**Daniel Kozielwicz | Research Associate**  
**Shikhar Sarpal | Research Associate**  
**Surya Sankarasubramanian | Research Associate**

**Red Cloud Securities Inc.**  
120 Adelaide Street West, Suite 1400  
Toronto ON, M5H 1T1  
[research@redcloudsecurities.com](mailto:research@redcloudsecurities.com)  
<https://redcloudresearch.com/>

Disclosure Statement  
Updated April 10, 2025

Recommendation / Target Change			Red Cloud Securities has this percentage of its universe assigned as the following:	
Date	Rating	Target	Status	%
2021-04-15	BUY	0.35	BUY	61%
2021-04-15	BUY	0.35	BUY (S)	31%
2021-04-22	BUY	0.35	HOLD	0%
2021-04-28	BUY	0.35	TENDER/ SELL	2%
2021-07-14	BUY	0.35	NA	0%
2021-07-22	BUY	0.35	UNDER REVIEW	7%
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		
2023-03-02	BUY	2.95		
2023-03-06	BUY	3.35		
2023-11-10	BUY	2.95		
2023-11-17	BUY	2.95		
2024-03-04	BUY	2.95		
2024-04-04	BUY	2.95		
2024-09-04	BUY	3.50		
2024-10-21	BUY	3.50		
2025-01-07	BUY	4.15		
2025-02-12	BUY	4.15		
2025-02-27	BUY	4.15		
2025-03-03	BUY	4.15		
2025-04-10	BUY	3.70		

#### Disclosure Requirement

Red Cloud Securities Inc. is registered as an Investment Dealer and is a member of the Canadian Investment Regulatory Organization (CIRO). Red Cloud Securities registration as an Investment Dealer is specific to the provinces of Alberta, British Columbia, Manitoba, Ontario, Quebec, and Saskatchewan. We are registered and authorized to conduct business solely within these jurisdictions. We do not operate in or hold registration in any other regions, territories, or countries outside of these provinces. Red Cloud Securities bears no liability for any consequences arising from the use or misuse of our services, products, or information outside the registered jurisdictions.

Part of Red Cloud Securities Inc.'s business is to connect mining companies with suitable investors. Red Cloud Securities Inc., its affiliates and their respective officers, directors, representatives, researchers and members of their families may hold positions in the companies mentioned in this document and may buy and/or sell their securities. Additionally, Red Cloud Securities Inc. may have provided in the past, and may provide in the future, certain advisory or corporate finance services and receive financial and other incentives from issuers as consideration for the provision of such services.

Red Cloud Securities Inc. has prepared this document for general information purposes only. This document should not be considered a solicitation to purchase or sell securities or a recommendation to buy or sell securities. The information provided has been derived from sources believed to be accurate but cannot be guaranteed. This document does not take into account the particular investment objectives, financial situations, or needs of individual recipients and other issues (e.g. prohibitions to investments due to law, jurisdiction issues, etc.) which may exist for certain persons. Recipients should rely on their own investigations and take their own professional advice before investment. Red Cloud Securities Inc. will not treat recipients of this document as clients by virtue of having viewed this document.

Red Cloud Securities Inc. takes no responsibility for any errors or omissions contained herein, and accepts no legal responsibility for any errors or omissions contained herein, and accepts no legal responsibility from any losses resulting from investment decisions based on the content of this report.

#### Company Specific Disclosure Details

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

1. The analyst has visited the head/principal office of the issuer or has viewed its material operations.
2. The issuer paid for or reimbursed the analyst for a portion, or all of the travel expense associated with a visit.
3. In the last 12 months preceding the date of issuance of the research report or recommendation, Red Cloud Securities Inc. has performed investment banking services for the issuer.
4. In the last 12 months, a partner, director or officer of Red Cloud Securities Inc., or an analyst involved in the preparation of the research report has provided services other than in the normal course investment advisory or trade execution services to the issuer for remuneration.
5. An analyst who prepared or participated in the preparation of this research report has an ownership position (long or short) in, or discretion or control over an account holding, the issuer's securities, directly or indirectly.
6. Red Cloud Securities Inc. and its affiliates collectively beneficially own 1% or more of a class of the issuer's equity securities.
7. A partner, director, officer, employee or agent of Red Cloud Securities Inc., serves as a partner, director, officer or employee of (or in an equivalent advisory capacity to) the issuer.
8. Red Cloud Securities Inc. is a market maker in the equity of the issuer.
9. There are material conflicts of interest with Red Cloud Securities Inc. or the analyst who prepared or participated in the preparation of the research report, and the issuer.

Analysts are compensated through a combined base salary and bonus payout system. The bonus payout is determined by revenues generated from various departments including Investment Banking, based on a system that includes the following criteria: reports generated, timeliness, performance of recommendations, knowledge of industry, quality of research and client feedback. Analysts are not directly compensated for specific Investment Banking transactions.

#### Recommendation Terminology

Red Cloud Securities Inc. recommendation terminology is as follows:

- BUY – expected to outperform its peer group
- HOLD – expected to perform with its peer group
- SELL – expected to underperform its peer group
- Tender – clients are advised to tender their shares to a takeover bid
- Not Rated or NA – currently restricted from publishing, or we do not yet have a rating
- Under Review – our rating and target are under review pending, prior estimates and rating should be disregarded.

Companies with BUY, HOLD or SELL recommendations may not have target prices associated with a recommendation. Recommendations without a target price are more speculative in nature and may be followed by "(S)" or "(Speculative)" to reflect the higher degree of risk associated with the company. Additionally, our target prices are set based on a 12-month investment horizon.

#### Dissemination

Red Cloud Securities Inc. distributes its research products simultaneously, via email, to its authorized client base. All research is then available on [www.redcloudsecurities.com](http://www.redcloudsecurities.com) via login and password.

**Analyst Certification**

Any Red Cloud Securities Inc. research analyst named on this report hereby certifies that the recommendations and/or opinions expressed herein accurately reflect such research analyst's personal views about the companies and securities that are the subject of this report. In addition, no part of any research analyst's compensation is, or will be, directly or indirectly, related to the specific recommendations or views expressed by such research analyst in this report.