

Galleon Gold Corp. (TSXV:GGO)

Development Update

Squaring Away Financings Ahead of Bulk Sampling Program

November 25, 2025

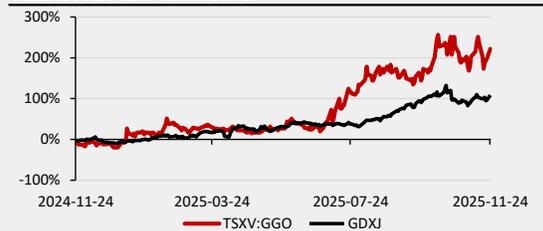
(Currency is C\$ unless noted otherwise)

Closing Price (\$/sh)	\$0.66	
Rating	BUY	
Target (\$/sh)	\$2.75	
Return to Target	317%	
52 Week Low / High (\$/sh)	\$0.16 / \$0.79	
<b>CAPITALIZATION</b>	<b>Basic</b>	<b>Diluted</b>
Shares Outstanding (M)	74.8	94.1
Market Capitalization (\$M)	\$49.4	
Enterprise Value (\$M)	\$49.1	
Cash and Cash Equivalents (\$M)	\$15.0	
Total Debt (\$M)	\$14.7	

STOCK CHART



RELATIVE PERFORMANCE



RELATIVE VALUATION

	US\$EV/oz Au Eq
Galleon Gold Corp.	\$31
Peers*	\$68

\*S&P Market Intelligence

MAJOR SHAREHOLDERS

Management (3%), Sprott, Eric (18.58%), HNW Retail (15%), Novum Asset Management AG (0.86%)

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 Gold (GGO) has received an indicative term sheet for a C\$46M debt facility from Pan American Silver (TSX:PAAS, Not Rated) and concurrently plans to undertake up to a C\$30M equity financing. **While this transaction will lead to additional dilution for shareholders, we view it positively as it tops up the treasury and provides Galleon with funds needed to move ahead with construction for its 22.6k oz Au bulk sample program at the West Cache Au project in Ontario. We also expect proceeds to be used to repurchase a 3% NSR royalty on West Cache, which we believe is prudent in the current gold price environment as it returns ~C\$35M in project value to current shareholders.** We note that permits to allow underground construction for the bulk sample program are still pending but we expect approval of this in short order, allowing construction to begin in ~H1/26. We expect construction to take ~18 months and anticipate the bulk sample program to generate ~C\$50M in after-tax cash flows (assuming a US\$3,000/oz Au price) for Galleon in 2028.

- **Pan-American, a C\$23B market cap co., to own 15% of Galleon,** when the equity raise closes on December 4<sup>th</sup>. GGO has agreed to issue ~18.75M units, each consisting of one common share and half a warrant, to PAAS for gross proceeds of C\$11.25M. A separate LIFE offering of 26.67M units for gross proceeds of C\$16.00M is planned concurrently. This is in addition to a C\$46M debt facility contained in the current term sheet, as well as a 3-year, C\$8M convertible debt issued by PAAS in August and an MoU for toll milling of ore from the bulk sample program at PAAS's Bell Creek mill ([read note](#)).
- **Well-timed royalty repurchase.** At our US\$3,000/oz Au long-term price assumption ([read note](#)), repurchasing the 3% NSR royalty for C\$11M (the initial 1% for C\$1M, and the remaining 2% for C\$10M), has increased the NPV<sub>5%</sub> of the West Cache Au project from C\$815M to ~C\$851M (Figure 1).
- **Adjusting our model.** We assume the C\$35M capex for bulk sampling is incurred in 2026 and 2027, and that the C\$11.25M and C\$16.00M equity raises close in December. While the debt facility's terms were undisclosed, we assume that it is in place before 31<sup>st</sup> December, in time for the royalty transaction to close, and C\$11M is drawn down in 2026 and repaid in 2031. The balance of the facility can be used to partly cover the C\$180M initial capex for West Cache, which we expect will be updated after further economic studies.

**We maintain our BUY rating and decrease our target price to C\$2.75/sh (was C\$3.50/sh).** Our target is based on a 0.70x multiple of our NAVPS of C\$3.95 (was C\$4.99), which was calculated using a DCF<sub>5%</sub> for the West Cache project. Our target fell due to dilution from the proposed equity raises and increase in interest expenses. We believe the continued development of West Cache towards production will be key in re-rating the stock. **Upcoming Catalysts:** 1) Pre-construction site work for bulk sample (2026), 2) Commencement of bulk sample (2027/2028) and 3) PFS (2027/2028).

**Figure 1: Galleon NAV summary**

Asset	Status	Resource (Moz Au Eq)	Valuation Method	Fair Value Estimate		(%)
				(C\$M)	(C\$/sh)	
<b>Core Projects</b>						
West Cache	Development	1.6	DCF	\$849.3	\$3.91	99%
Neal	Exploration	NA	Book Value	\$1.2	\$0.01	0%
<b>Project NAV</b>				<b>\$850.6</b>	<b>\$3.92</b>	<b>99%</b>
Cash				\$41.2	\$0.19	5%
Cash flow from financing				\$47.0	\$0.22	5%
Corporate adjustments				(\$82.3)	(\$0.38)	-10%
<b>Total Corporate Adjustments</b>				<b>\$5.9</b>	<b>\$0.03</b>	<b>1%</b>
<b>Corporate NAV</b>				<b>\$856.5</b>	<b>\$3.95</b>	<b>100%</b>

Multiple	0.7x
<b>Target Price</b>	<b>\$2.75</b>

Source: RCS Estimates

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Disclosure Statement  
 Updated November 25, 2025

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	36%
2023-11-10	BUY	2.95	BUY (S)	22%
2023-11-17	BUY	2.95	HOLD	0%
2024-03-04	BUY	2.95	TENDER/ SELL	2%
2024-04-04	BUY	2.95	NA	38%
2024-09-04	BUY	3.50	UNDER REVIEW	2%
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		
2025-04-24	BUY	4.00		
2025-08-15	BUY	3.00		
2025-10-20	BUY	3.50		
2025-11-07	BUY	3.50		
2025-11-25	BUY	2.75		

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

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