

# Klondike Gold Corp.

Canada / Mining  
 Primary: Toronto  
 Secondary: Frankfurt Stock Exchange  
 Bloomberg: KG CN  
 ISIN: CA4989033010

Comprehensive  
 update

RATING	BUY
PRICE TARGET	C\$ 0.85
Return Potential	372.2%
Risk Rating	High

## A GOLDEN OPPORTUNITY

We think Klondike Gold Corp (KG) is on a clear path to delineate an initial resource of some 0.5 Moz Au at ~1 g/t in H1 2022. The company just wrapped up a comprehensive drilling campaign that encompassed some 7.4k meters and 58 holes, and initial assays were supportive. Klondike started drilling on its ~586 km<sup>2</sup> District Property in 2015. In our view, the highly anticipated maiden resource estimate (RE) will be a watershed moment for the company and should act as a strong catalyst for the stock. But we believe there are already plenty of reasons to be positive now and remain Buy-rated on KG. Our price target is unchanged at C\$0.85.

**Latest drill results supportive of 2022 resource delineation scenario** KG reported two batches of drill results. Phases 2a and 2b covered a total of 25 holes and yielded some 3,883 metres of core samples from the company's Lone Star Zone (LS). Phase 2a drill results for LS 'East' covered 12 holes with mean Au of 1.21 g/t at an average interval of 26.3 metres. Phase 2b intersected gold mineralisation at some 200 metres vertical depth, which is KG's deepest finding to date (old: ~50 metres). The 13 phase 2b holes assayed mean Au of 0.52 g/t and an average interval of 26.9 metres. The combined results showed average Au of 0.81 g/t at 26.6 metre intervals, which is in line with prior year assays giving us confidence in our RE assumptions. Phase 3 drilling was wrapped up in August with results pending, while phase 4 entailing 13 holes along the Eldorado Fault is also complete with logging and sampling in progress.

**Opportunity to build positions** Klondike shares are trading at the lower end of their trailing 12 month range. In our view, the share price understates the milestones achieved since the company rebooted operations in 2015. We think the dormant share price promises exceptional returns for investors who build positions ahead of the maiden resource estimate. We have revisited several factors that underpin our confidence that the company is on track to translate its exploration work into an attractive payoff for shareholders. (p.t.o.)

### FINANCIAL HISTORY & PROJECTIONS

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22E
Revenue (C\$m)	0.00	0.00	0.00	0.00	0.00	0.00
Y-o-y growth	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBIT (C\$m)	-1.25	-2.00	-1.95	-2.08	-1.38	-1.75
EBIT margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net income (C\$m)	-0.56	-1.65	-1.55	-1.17	-1.32	-1.75
EPS (diluted) (C\$)	-0.01	-0.02	-0.02	-0.01	-0.01	-0.01
DPS (C\$)	0.00	0.00	0.00	0.00	0.00	0.00
FCF (C\$m)	-2.67	-4.51	-5.30	-4.99	-1.81	-5.11
Net gearing	-7.8%	-30.6%	-6.9%	1.0%	-9.6%	-3.3%
Liquid assets (C\$m)	0.99	6.53	1.27	0.13	2.85	1.22

### RISKS

The main risks are failure to identify enough gold for economic extraction and potential friction with the First Nations.

### COMPANY PROFILE

Klondike Gold Corp. is a Canadian gold exploration company with offices in Vancouver, British Columbia, and Dawson City, Yukon Territory. The company's 586km<sup>2</sup> Klondike District Project encompasses the legendary 1896 gold rush discoveries at Bonanza and Eldorado Creeks.

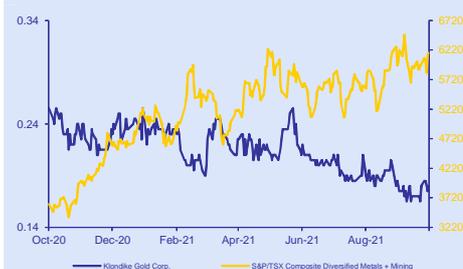
### MARKET DATA

As of 08 Oct 2021

Closing Price	C\$ 0.18
Shares outstanding	133.69m
Market Capitalisation	C\$ 24.06m
52-week Range	C\$ 0.17 / 0.26
Avg. Volume (12 Months)	152,281

Multiples	2019/20	2020/21	2021/22E
P/E	n.a.	n.a.	n.a.
EV/Sales	n.a.	n.a.	n.a.
EV/EBIT	n.a.	n.a.	n.a.
Div. Yield	0.0%	0.0%	0.0%

### STOCK OVERVIEW



### COMPANY DATA

As of 31 May 2021

Liquid Assets	C\$ 2.38m
Current Assets	C\$ 2.77m
Intangible Assets	C\$ 23.89m
Total Assets	C\$ 27.47m
Current Liabilities	C\$ 0.46m
Shareholders' Equity	C\$ 26.58m

### SHAREHOLDERS

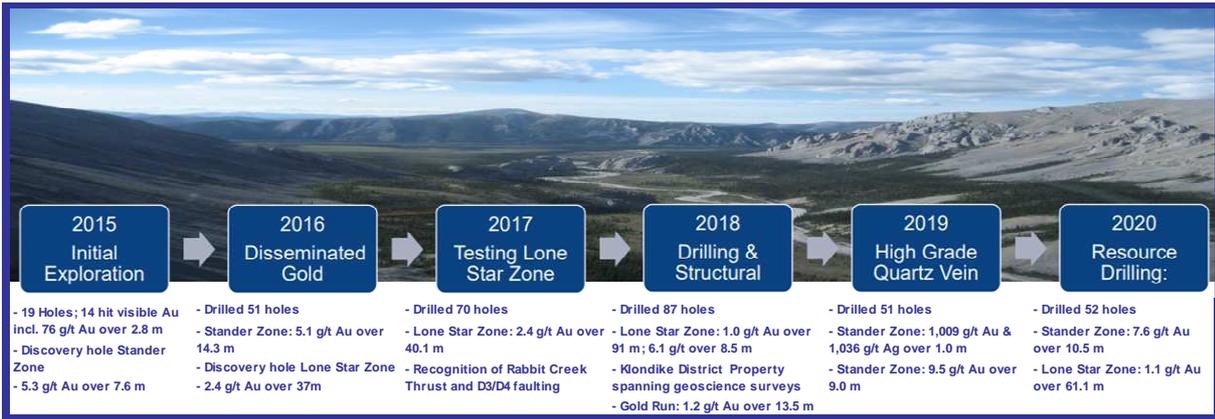
Management	15.0%
F. Giustra	11.0%
E. Sprott	9.0%
Insiders	8.0%
Free Float	57.0%



## A GOLDEN OPPORTUNITY

When we toured KG's property with management three years ago (see note of 2 October 2018), the company was in the late stages of demonstrating that the Klondike did indeed host bedrock gold. Now thanks to over six years of extensive drilling covering some 45k metres and 450 holes as well as an updated geological model, operations have moved well beyond the discovery phase.

**Figure 1: The path from discovery to resource drilling**



Source: First Berlin Equity Research; Klondike Gold Corp.

Klondike Gold believes it has found the original bedrock source of the fabled Klondike placer gold and can also now explain where the gold comes from. We believe the share price does not reflect this key milestone and see a number of differentiating factors overlooked by investors who are focused on the maiden resource.

**Figure 2: Drill core boxes at Eldorado Camp**



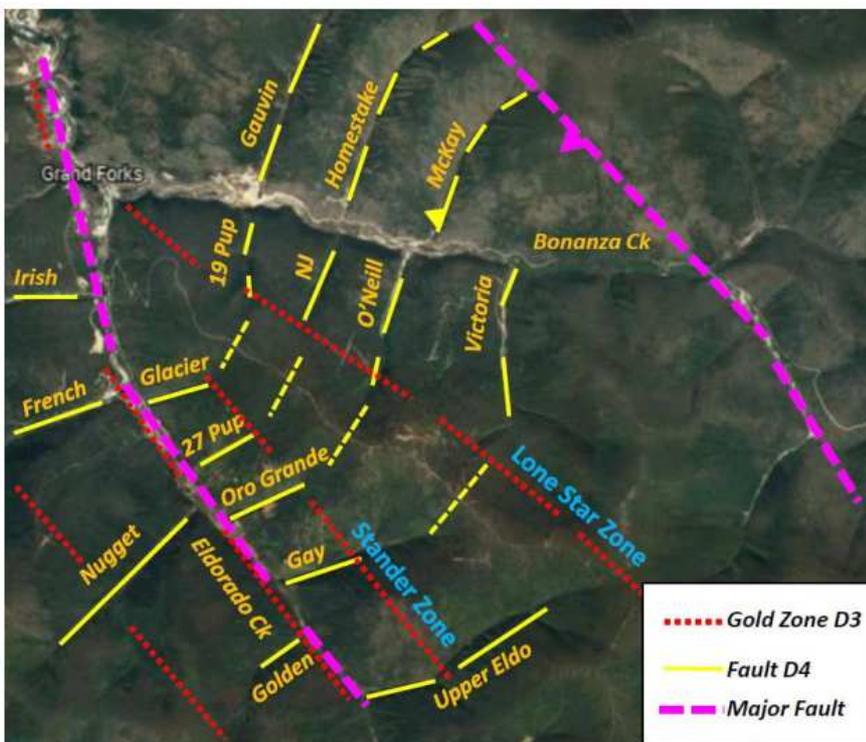
Source: Klondike Gold Corp.

## UPDATED STRUCTURAL MODEL

**Recalibrated exploration model reveals source of Klondike's gold. . .** In December 2019, KG unveiled an updated exploration model that factored in recompiled geoscience data gathered over the prior five seasons. The new model revealed NE-trending (D4) orogenic faults that are thought to be conduits for Au-bearing fluids and thus responsible for gold mineralisation in the Klondike.

Plus, the D4 fault process reactivated and introduced gold mineralisation into some earlier D3 northwest-trending faults. Thanks to newly identified NE-trending (D4) thrust faulting, the Klondike exploration team now thinks this is the event that introduced gold-bearing fluids into the Klondike's network of D3 and D4 faults.

**Figure 3: New structural model showcasing D3 and D4 faults on Lone Star ridge**



Source: First Berlin Equity Research; Klondike Gold Corp.

The image above shows that there are two roughly perpendicular strike directions in the gold-bearing rocks. The newly recognised D4 (c.100 million year old) northeast-trending faults are identifiable as gulches connecting the two major thrust faults. These occupy the major creeks and run parallel to the secondary D3 (c.180 million year old) faults.

**. . . and provides more drill targets** Historically, the D3 faults were the only faults considered to be gold-bearing and were the sole focus of exploration in the Klondike District. The Klondike team believes the significance of the updated structural model is that it provides a completely new perspective that better correlates previously unrecognized geochemical, geophysical and drilling data.

Furthermore, the intersection of the D3 and D4 fault structures equate to hotspots of Au mineralisation and will be a key influence on exploration efforts in the Lone Star and Stander Zones. The high potential of these hotspot intersections is evidenced by the world class EC19-267 discovery in the Stander Zone (1,009 g/t Au over one metre).



## THE RIGHT PROXIMITY

**Land package sits at infrastructure sweet spot** KG’s property package is situated some 20 km south of Dawson City, Yukon Territory. The iconic town was the epicentre of the Klondike 1896–1899 gold rush and is well equipped to support Klondike’s operations with its infrastructure.

**Figure 4: Dawson City – authentic local infrastructure for the next gold rush**



Source: Ellis Acklin ©

The KG camp also benefits from a nearby local substation that distributes stepped down power, while Dawson City Airport is also just up the road to facilitate air services with scheduled flights. Plus, a quality road network spans the area and is supported by the well-funded Yukon Resource Gateway Project (YRGP) ensuring timely maintenance and upgrades (see note of 2 October 2018). In our view, these factors not only back current activities, they will also help accelerate future mining operations.

**Figure 5: District infrastructure**



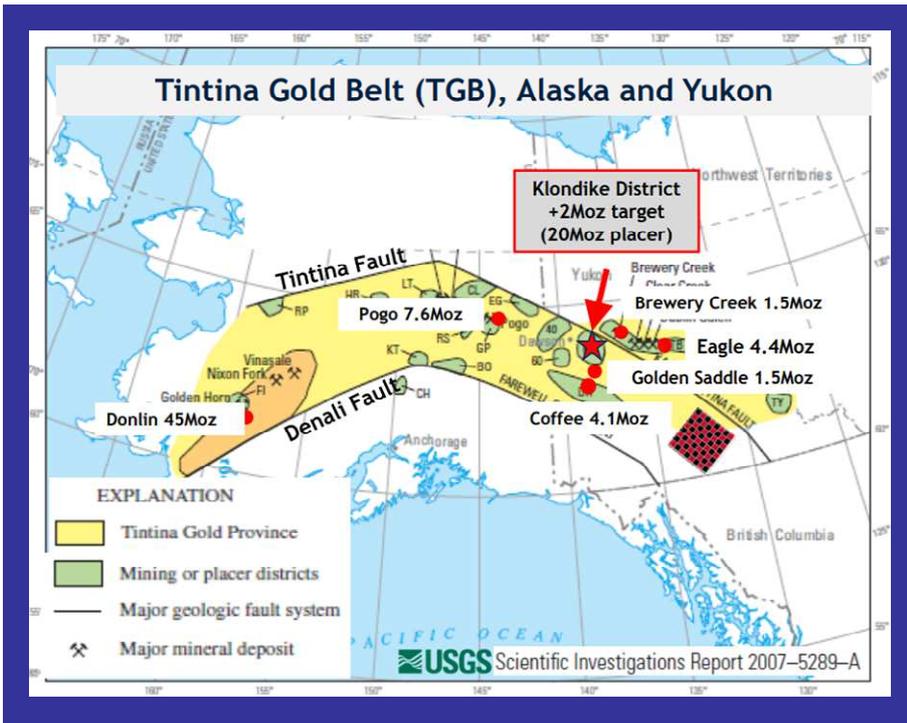
Source: First Berlin Equity Research; Pinnacle Digest 2019 Podcast



**“The best place to find a new mine is right next door to an old mine” – Tom Zoellner**

Since 2007, the Yukon has seen over 50,000 claims staked, over 7 Moz of gold have been discovered, and the majors have acquired two projects. Gold Corp took out Kaminak at a valuation of C\$100 per ounce in 2016, while Kinross vended its Yukon properties, consisting of the White Gold, Black Fox, JP Ross, Yellow, and Battle properties, to White Gold Corp in May 2017. Meanwhile, WGO reported a gold resource of 1,140k ounces Au of Indicated and 402k ounces Au Inferred in 2020.

**Figure 6: KG sits within the 100 Moz TGB that features clusters of success**



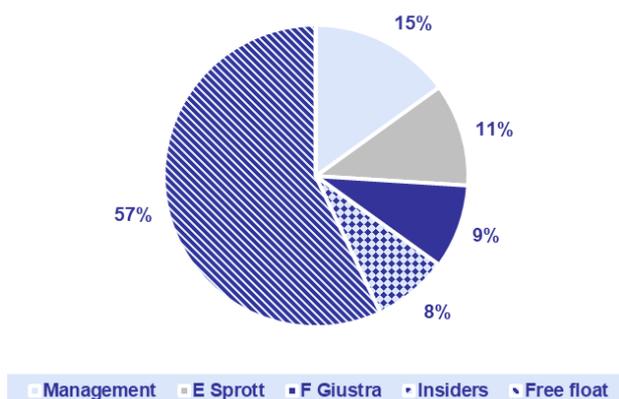
Source: First Berlin Equity Research; Klondike Gold Corp.



## STRONG INVESTOR ROSTER AND ACCESS TO CAPITAL

Klondike is an exploration company currently reliant upon external financing to cover costs. The company enjoys unusually strong financial support for a junior explorer, owing to an investor roster that includes two high profile mining financiers—billionaires Frank Giustra and Eric Sprott. This has allowed management to time incremental cap hikes with seasonal drilling campaigns, while keeping dilution in check.

**Figure 7: Shareholder structure**



Source: First Berlin Equity Research; Klondike Gold Corp.

Klondike CEO, Mr Peter Tallman, runs a tight operation, and exploration costs are also unusually low, due chiefly to good proximity to Dawson City (< 20km) and access to below-market drilling expenses that run at around C\$120 per metre vs the regional mean of ~C\$250.

KG raised some C\$5m in new equity in 2020 (table 1) and on 30 September announced a new capital raise using the same financing structure of past issuances—each “unit” issued contained one common share and one half of a warrant. The targeted proceeds of C\$3.5m will fully fund KG through YE22 and facilitate around 10k metres of drilling in five phases including: (1) LS resource drilling (~2.5k metres); (2) Stander Zone exploration / resource drilling (~2.5k metres); (3) Gold Run exploration drilling (~1k metres); (4) LS follow-up resource drilling (~2.5k metres); and (5) Gold Run follow-up exploration drilling (~1.5k metres). Proceeds will also cover expenses for a Lone Star PEA (preliminary economic assessment) next spring.

**Table 1: Latest equity issuances**

	Number (k)	Price (CAD)	Proceeds (CADk)
<b>Apr-20</b>			
Flow-through units	3,482	0.190	662
Non-flow-through units	3,206	0.175	561
<b>Total</b>	<b>6,688</b>		<b>1,223</b>
<b>Oct-20</b>			
Flow-through units	8,767	0.30	2,630
Non-flow-through units	4,680	0.25	1,170
<b>Total</b>	<b>13,447</b>		<b>3,800</b>

Source: First Berlin Equity Research; Klondike Gold Corp.



In our view, management have a solid track record in financing KG's exploration activities on a timely basis. Given the strong support of its anchor investors, we see low financing risk to Klondike's ongoing success.

## PROPERTY OVERVIEW & EXPLORATION RECAP

**Table 2: Milestones under current management**

Year	Capital raised (C\$m)	Holes (#)	Metres	Hole length (m)	Milestone
2014	2.5	-			Re-organisation
2015	0.4	19	1,369	72	Stander & Gay Gulch discovery
2016	2.9	71	5,375	76	
2017	7.0	70	8,621	123	Lone Star discovery
2018	-	87	9,512	109	Gold Run discovery
2019	2.9	94	8,632	92	Stander: 1,009g Au over 1m
2020	5.0	52	4,055	78	LS & Stander extensions
2021	*	58	7,381	127	LS / Stander / Gay Gulch extensions
	<b>20.7</b>	<b>451</b>	<b>44,945</b>	<b>97</b>	

\* C\$3.5m capital raise announced

Source: First Berlin Equity Research; Klondike Gold Corp.

Klondike Gold has been exploring in the Klondike goldfields of the Yukon Territory since 1980. The company operated under several regimes with the current iteration emerging out of the merger with Klondike Star Mineral Corp (KSMC) in early 2017.

After years of mismanagement and disappointing results under the old Klondike Gold regime, veteran mining financier, Frank Giustra (11% KG stake), hired Peter Tallman in 2014 to demystify legacy financial inconsistencies, re-organise the company, and make a fresh assessment of the District's gold-bearing potential.

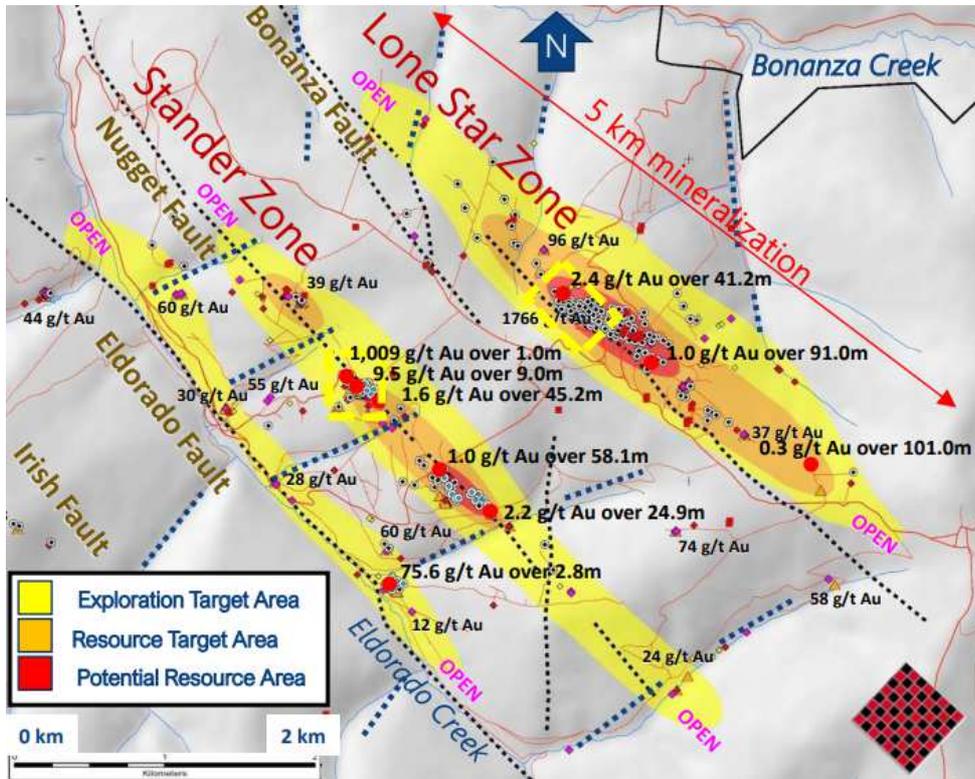
**Table 3: Property overview**

Ownership	Property	Type	Claims	Area (km <sup>2</sup> )	Royalty
Klondike Gold	Klondike District	Claims	1,811	332	n.a.
Klondike Gold	Klondike District	Crown grants	14	2	n.a.
Klondike Gold	Klondike District	Claims-Gimlex	1,230	244	2%
Klondike Gold	Klondike District	Claims-Burkhard	6	1	2%
Klondike Gold	Klondike District	Claims-Sophie	31	5	1%
<b>Total claims</b>			<b>3,092</b>	<b>585</b>	
Klondike Gold	Placer	Indian River	239	13	5%
Klondike Gold	Placer	Upper Eldorado Creek	53	3	n.a.
Klondike Gold	Placer	Eldorado Creek Bench	69	3	5%
Klondike Gold	Placer	Upper Eldorado Creek Bench	8	5	n.a.
<b>Total placers</b>			<b>369</b>	<b>24</b>	

Source: First Berlin Equity Research; Klondike Gold Corp.

**Lone Star is the most advanced target.** . . . By the luck of the draw, LS was the first zone on the property to be drilled and remained the focus in subsequent drilling seasons. Including this season, we reckon KG has drilled 241 holes in Lone Star since 2015 making it far more advanced than the Stander Zone in terms of drilling, data collected from geophysical surveys, structural mapping, and rock sampling. We thus believe LS will provide the foundation and quickest path to a maiden resource estimate, which should top 0.5 Moz with upward scope to a much higher figure if drilling and results continue their current arc. Aside from the good prospects for resource delineation, the LS Zone is well-suited for a future open pit scenario.

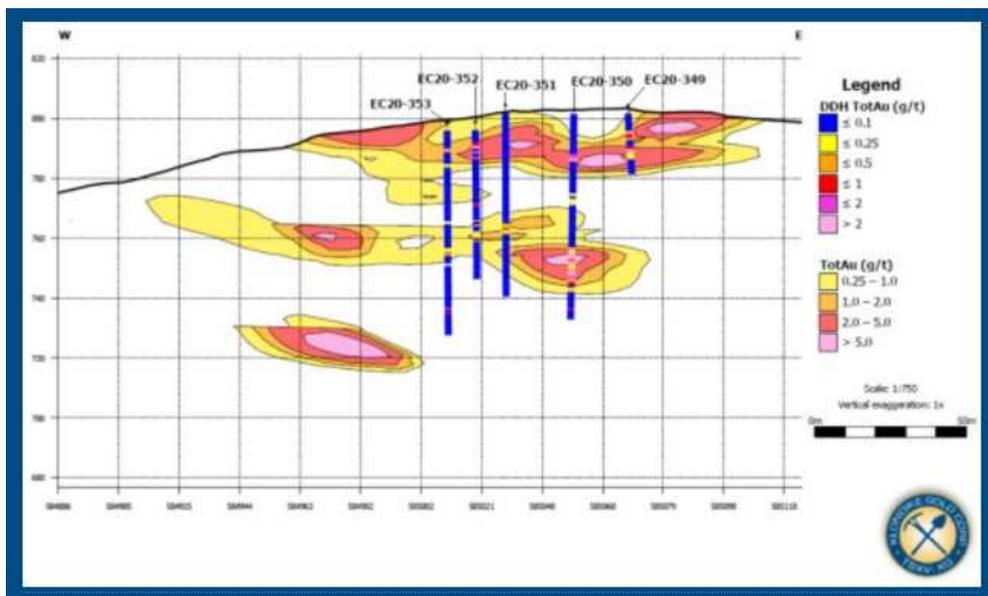
Figure 8: Multi-kilometre gold bearing structures throughout KG’s District Property



Source: First Berlin Equity Research; Klondike Gold Corp.

... but Stander may be the richer payoff However, management indicate that gold in the nearby Stander Zone is higher grade than in LS, because the gold mineralisation in Stander is chiefly hosted by quartz veining along the Nugget Fault. We expect some of the completed Stander work to be included in the first resource but rather see the zone spearheading a later, second and larger resource estimate. To date, Klondike has drilled 144 holes in the Stander Zone including the 20 holes conducted in 2021 phase 3.

Figure 9: Stander Zone longitudinal cut out showing Au mineralisation levels



Source: First Berlin Equity Research; Klondike Gold Corp.



**Gay Gulch** A six-hole program conducted in 2015 led to a gold discovery in quartz veins with best intercepts of 420 g/t Au over 0.4 metres and 75.6 g/t Au over 2.8 metres (EC15-10). KG followed up with a seven-hole program in 2019 that showed Au mineralisation along the NW-trending Eldorado Fault and along the intersecting north-trending zone. Results included 1.09 g/t Au over 9.08 metres in EC19-245 and 9.66 g/t Au over 0.5 metres in EC19-248.

This year's phase 4 drilling covered 13 holes and tested graphitic fault zones evident from LiDAR surveys that are potentially associated with Au mineralisation. The aforementioned 2015 Gay Gulch discovery (EC15-10) was among the phase 4 targets and assays are pending.

**Gold Run** The Lone Star and Stander Zones have been the focus the past three years, and the last significant drilling in Gold Run took place in 2018. Management want to continue exploration drilling in 2022 and plan up to 2.5k metres in two phases.

**Virgin / Lindow part of promising target pipeline** This season KG commenced diamond drilling to test the Virgin and Lindow target areas along Bear Creek. Located around 10 km north of the Lone Star and Stander Zones, this was one of the significant placer gold producing creeks during the Klondike gold rush.

Phase 1 drilling this season covered 356 meters of core drilled in five holes; three at Virgin Mine and two at Lindow targets. Drill operations were difficult in steep terrain, and core recoveries were poor and blocky resulting in short holes.

**Placer mining stakes** Aside from its hard rock claims, Klondike also holds stakes in three placer gold properties including Upper Eldorado Creek Placer, which had previously been last mined in the 1980's. The placer claims cross the strike extensions of current significant gold bedrock prospects in the Stander and Lone Star Zones, as well as mineralization along the Eldorado Fault.

In late 2019, KG inked a deal with Dulac Mining Ltd assigning the placer miner the rights and permits to mine the Upper Eldorado Creek property. In return, KG receives a 10% Au production royalty payable in raw gold. And as Dulac exposes bedrock during its operations, Klondike can map and sample these gold zones and targets at no extra cost. Dulac recovered 500 ounces of placer gold (as fines, coarse flakes, and nuggets) in 2020, and Klondike received 50 ounces placer Au as a royalty payment.

## MORE ON THE 2021 SEASON RESULTS

Figure 10: Drill core from camp archive



Source: Ellis Acklin ©

**Lone Star continuity extended** Phase 2a drilling tested for an eastern extension of the Lone Star Zone with 12 holes across 1.2k metres. The results demonstrated continuity stretching some 250 metres east of the presently defined Lone Star Au mineralisation model, while also showing downslope continuity.

Figure 11: Phase 2a cross-sections showing LS intervals and downslope continuity



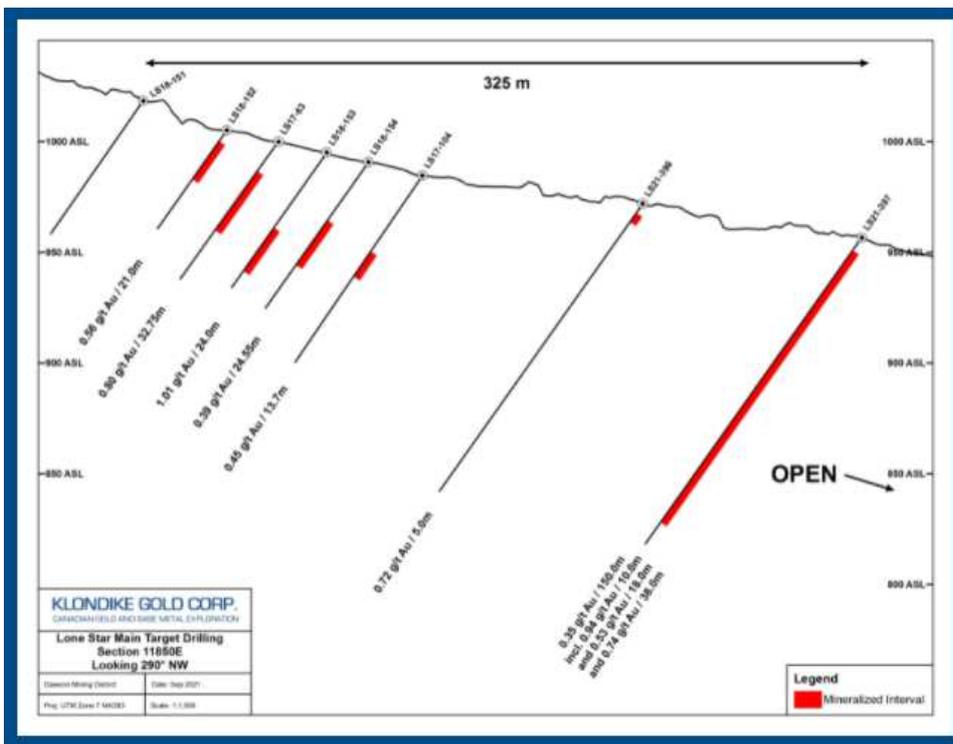
Source: First Berlin Equity Research; Klondike Gold Corp.

Highlight intercepts from phase 2a included: (1) 1.7 g/t Au over 14.6 metres (LS21-388); (2) 2.9 g/t Au over 11 metres (LS21-392); and (3) 3.2 g/t Au over 6 metres (LS21-394). The results continue to show that LS hosts significant near-surface Au mineralisation that is expandable and open in all directions.



Klondike also reported phase 2b results for Lone Star. A total of 13 holes covering 2.7k metres featured intercepts of: (1) 0.74 g/t Au over 38 metres (LS21-397); (2) 0.62 g/t Au over 58 metres (LS21-402); and (3) 0.84 g/t Au over 29 metres (LS21-399). The company also noted the deepest gold mineralisation to date at ~200 metres vertical depth. (old: 50 metres).

**Figure 12: Phase 2b cross-section including LS21-397 Au intersection from surface to 150 metres vertical depth**



Source: First Berlin Equity Research; Klondike Gold Corp.





## INCOME STATEMENT

All figures in C\$ '000	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22E
<b>Revenues</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Consulting	-164	-319	-209	-328	-221	-243
Management & personnel expense	-309	-532	-385	-506	-419	-440
Other OpEx	-243	-715	-625	-764	-145	-580
Regulatory & transfer agent	-51	-65	-40	-34	-41	-45
Share based compensation	-412	-284	-648	-285	-407	-427
<b>EBITDA</b>	<b>-1,179</b>	<b>-1,915</b>	<b>-1,907</b>	<b>-1,917</b>	<b>-1,233</b>	<b>-1,736</b>
Depreciation & amortisation	-70	-83	-41	-160	-147	-15
<b>EBIT</b>	<b>-1,249</b>	<b>-1,997</b>	<b>-1,948</b>	<b>-2,077</b>	<b>-1,380</b>	<b>-1,751</b>
Interest expense	0	0	0	-46	-40	0
Interest income	6	65	67	33	9	0
Gain on sale of investments	38	97	0	0	24	0
Gain on sale of equipment	0	0	81	0	0	0
Gain on sale of exploration assets	392	100	0	0	0	0
Miscellaneous income	0	0	0	722	0	0
Other flow through income	36	244	249	194	160	0
Unrealised gain on warrants	17	-104	0	0	-89	0
<b>Pre-tax income (EBT)</b>	<b>-760</b>	<b>-1,596</b>	<b>-1,550</b>	<b>-1,174</b>	<b>-1,316</b>	<b>-1,751</b>
Unrealised income/loss on for-sale-investments	204	0	0	0	0	0
Reclassification on sale of for-sale-investments	-4	-57	0	0	0	0
<b>Net income / loss</b>	<b>-560</b>	<b>-1,653</b>	<b>-1,550</b>	<b>-1,174</b>	<b>-1,316</b>	<b>-1,751</b>
<b>Diluted EPS (in C\$)</b>	<b>-0.01</b>	<b>-0.02</b>	<b>-0.02</b>	<b>-0.01</b>	<b>-0.01</b>	<b>-0.01</b>
Weighted avg. SO (pro-forma '000)	48,545	79,638	96,845	110,317	124,463	137,838
<b>Ratios</b>						
EBITDA margin on revenues	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBIT margin on revenues	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net margin on revenues	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Tax rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Expenses as % of revenues</b>						
Other OpEx	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Regulatory & transfer agent	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Y-Y Growth</b>						
Revenues	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Operating income	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net income/ loss	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.



## BALANCE SHEET

All figures in C\$ '000	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22E
<b>Assets</b>						
<b>Current assets, total</b>	<b>1,154</b>	<b>6,666</b>	<b>1,539</b>	<b>398</b>	<b>3,240</b>	<b>798</b>
Cash and cash equivalents	990	6,534	1,267	133	2,853	405
Restricted cash	50	50	165	166	166	167
Trade receivables	71	39	51	43	97	100
Other prepaid expenses	42	43	55	56	124	126
<b>Non-current assets, total</b>	<b>12,409</b>	<b>15,341</b>	<b>19,414</b>	<b>23,976</b>	<b>24,583</b>	<b>28,377</b>
Property, plant and equipment	364	322	290	869	722	727
Investments	426	0	0	0	164	0
Reclamation bond	4	4	4	4	4	4
Exploration & evaluation assets	11,615	15,016	19,121	23,104	23,694	27,646
<b>Total assets</b>	<b>13,562</b>	<b>22,006</b>	<b>20,953</b>	<b>24,374</b>	<b>27,823</b>	<b>29,175</b>
<b>Shareholders' equity &amp; debt</b>						
<b>Current liabilities, total</b>	<b>222</b>	<b>463</b>	<b>280</b>	<b>263</b>	<b>542</b>	<b>552</b>
Trade payables	222	190	280	147	97	107
Flow through premium	0	249	0	0	331	331
Other current liabilities	0	24	0	116	114	114
<b>Long-term liabilities, total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>546</b>	<b>432</b>	<b>433</b>
Leases	0	0	0	546	432	433
Long-term debt	0	0	0	0	0	0
<b>Shareholders' equity</b>	<b>13,340</b>	<b>21,543</b>	<b>20,673</b>	<b>23,565</b>	<b>26,849</b>	<b>28,190</b>
<b>Total consolidated equity and debt</b>	<b>13,562</b>	<b>22,006</b>	<b>20,953</b>	<b>24,374</b>	<b>27,823</b>	<b>29,175</b>
<b>Ratios</b>						
Current ratio (x)	5.2	14.4	5.5	1.5	6.0	1.4
Quick ratio (x)	5.0	14.3	5.3	1.3	5.7	1.2
Net debt	-1,040	-6,584	-1,432	247	-2,587	-139
Net gearing	-8%	-31%	-7%	1%	-10%	0%
Return on equity (ROE)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Capital employed (CE)	11,979	15,337	19,411	23,973	24,416	28,373
Return on capital employed (ROCE)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.



## CASH FLOW STATEMENT

All figures in C\$ '000	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22E
<b>Net income</b>	<b>-760</b>	<b>-1,596</b>	<b>-1,550</b>	<b>-1,174</b>	<b>-1,316</b>	<b>-1,751</b>
Stock based compensation	412	284	648	285	407	427
Depreciation & amortisation	70	83	41	160	147	15
Gain on sale of equipment	0	0	0	0	0	0
Gain on sale of exploration assets	-392	0	-81	0	0	0
Gain on sale of investments	-38	-97	0	0	-24	0
Other flow through income	-36	-244	-249	-194	-160	0
Unrealised gain on warrants	-17	104	2	0	89	0
Reversal of impairment on exploration assets	0	0	0	-666	0	0
Gain on elimination of Klondike Star liability	0	0	0	-56	0	0
Change in receivables	-57	32	-12	9	25	-3
Change in prepaid expenses	34	0	-12	-1	-68	-2
Change in third party payables	-12	24	-24	0	0	1
Change in payables	33	28	2	1	-78	10
Finance expense	0	0	0	46	40	0
<b>Operating cash flow</b>	<b>-763</b>	<b>-1,382</b>	<b>-1,237</b>	<b>-1,590</b>	<b>-938</b>	<b>-1,303</b>
PP&E	-28	-41	-13	0	0	-20
Exploration & evaluation asset expenditures	-2,253	-3,434	-4,018	-3,396	-1,307	-3,953
Proceeds on gold sales	0	0	0	0	0	0
Sale of exploration & evaluation assets	50	0	86	0	100	0
Sale of investments held for sale	351	349	0	0	337	164
Restricted cash	-25	0	-115	0	0	-1
<b>Cash flow from investing</b>	<b>-1,905</b>	<b>-3,125</b>	<b>-4,061</b>	<b>-3,396</b>	<b>-870</b>	<b>-3,809</b>
<b>Free cash flow (FCF)</b>	<b>-2,669</b>	<b>-4,507</b>	<b>-5,297</b>	<b>-4,986</b>	<b>-1,808</b>	<b>-5,112</b>
Debt inflow, net	0	0	0	0	0	0
Equity inflow, net	2,744	6,606	0	2,943	4,664	2,100
Proceeds from exercised options	18	145	19	171	20	0
Proceeds from exercised warrants	374	3,299	11	860	0	564
Other	0	0	0	-122	-156	0
<b>Cash flow from financing</b>	<b>3,136</b>	<b>10,050</b>	<b>30</b>	<b>3,852</b>	<b>4,528</b>	<b>2,664</b>
<b>Net cash flows</b>	<b>468</b>	<b>5,543</b>	<b>-5,267</b>	<b>-1,134</b>	<b>2,720</b>	<b>-2,448</b>
Cash, start of the year	523	990	6,533	1,267	133	2,853
<b>Cash, end of the year</b>	<b>990</b>	<b>6,533</b>	<b>1,266</b>	<b>133</b>	<b>2,853</b>	<b>405</b>

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Category		1	2
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Strong Buy <sup>1</sup>	An expected favourable price trend of:	> 50%	> 30%
Buy	An expected favourable price trend of:	> 25%	> 15%
Add	An expected favourable price trend of:	0% to 25%	0% to 15%
Reduce	An expected negative price trend of:	0% to -15%	0% to -10%
Sell	An expected negative price trend of:	< -15%	< -10%

<sup>1</sup> The expected price trend is in combination with sizable confidence in the quality and forecast security of management.

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Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	2 October 2018	C\$0.20	Buy	C\$0.70
2...4	↓	↓	↓	↓
5	17 October 2019	C\$0.25	Buy	C\$0.80
6	22 January 2020	C\$0.31	Buy	C\$0.80
7	29 April 2020	C\$0.23	Buy	C\$0.80
8	9 June 2020	C\$0.30	Buy	C\$0.80
9	16 July 2020	C\$0.35	Buy	C\$0.80
10	25 August 2020	C\$0.27	Buy	C\$0.80
11	14 January 2021	C\$0.23	Buy	C\$0.85
12	24 March 2021	C\$0.24	Buy	C\$0.85
13	Today	C\$0.18	Buy	C\$0.85

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