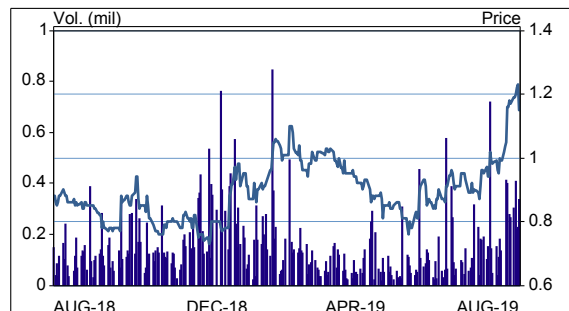


**GoldMining, Inc. (GOLD-CN)**  
**Rating: Buy**

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**Well Diversified Asset Portfolio Amid Strong Balance Sheet;  
 Revised Commodity Price Deck; Reiterate Buy; PT Higher**

Stock Data		08/16/2019	
Price		C\$1.15	
Exchange		TSX	
Price Target		C\$5.75	
52-Week High		C\$1.25	
52-Week Low		C\$0.71	
Enterprise Value (M)		C\$151	
Market Cap (M)		C\$159	
Shares Outstanding (M)		138.1	
3 Month Avg Volume		162,734	
Short Interest (M)		0.05	
Balance Sheet Metrics			
Cash (M)		C\$8.00	
Total Debt (M)		C\$0.00	
Total Cash/Share		C\$0.06	
<i>General: all figures in C\$ unless otherwise noted.</i>			
EPS Diluted			
Full Year - Nov	2018A	2019E	2020E
FY	C\$(0.05)	C\$(0.04)	C\$(0.48)
Revenue (C\$M)			
Full Year - Nov	2018A	2019E	2020E
FY	C\$0.0	C\$0.0	C\$0.0



**Strong balance sheet to fund operations amid potential for accretive M&A.** GoldMining continues to hold its early stage properties in good standing with the ultimate goal of continuously advancing them once the junior resource sector improves. As of May 31, 2019, GoldMining had cash and cash equivalents totaling C\$8.0M, in addition to C\$0.4M of other current assets. In short, management believes these funds can provide adequate liquidity needs over the next year. The firm also maintains an active mindset regarding potential acquisitions of additional mineral properties or interests should the right opportunity present itself. In our opinion, the firm has thus far been prudent in acquiring assets at a low cost with large amounts of ounces in the ground. We further reiterate the quality of GoldMining's current portfolio, which provides geographic diversification across North and South America amid exposure to gold, copper and uranium.

**Gold and silver prices have increased sharply.** Various U.S. treasury yields have dropped to record lows, while a growing number of Government bonds around the globe have ever-increasing negative yields. Given the ongoing trade and geopolitical tensions with China amid fears of a global slowdown, this trend seems unlikely to change in the short term. Gold has accordingly stepped into its role as a safe haven asset amid fears of an upcoming recession. This overall economic and political uncertainty has caused gold spot prices to increase by roughly \$240 (19%) to about \$1,520 per ounce (oz) since the beginning of the year, while silver has increased by approximately \$1.70 (11%) to \$17.10/oz, over the same period.

**Gold-to-silver ratio reaches quarter-century high.** The gold-to-silver ratio has now grown to 90:1, the highest over the past 25 years. In short, we believe the ratio is likely to tighten and trend more in-line with historical norms. We anticipate this move to happen through continued improvements in silver pricing as opposed to a drop in the price of gold. We note that silver prices surged to an all-time high of nearly \$50/oz during the 2008 financial crisis, thereby cutting the ratio from around 84:1 to 31:1. While this happened during extreme market turmoil, silver has also historically acted as a safe haven commodity. We therefore believe that silver is going to become a benefactor from the longer-term tightening of the current price disparity.


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**Increased commodity price deck that is more in-line with current market conditions and pricing firms may receive from potential hedges.** We feel macroeconomic improvements related to precious metals are increasingly evident in the market. In turn, we have raised our long-term gold price from \$1,300/oz to \$1,500/oz and our silver price from \$15.00/oz to \$17.50/oz. Our revised price deck is mostly in-line with current spot pricing. These prices are also in-line with the values firms are likely to receive if they decided to hedge some of their production. We acknowledge the possibility for short- and mid-term price fluctuations, especially as the Federal Reserve weighs the option of increasingly aggressive interest rate cuts before year-end. Additionally, any significant resolution regarding the ongoing trade issues with China could drive precious metal prices lower given lowered perceived market risks. We have applied our revised precious metal price deck to all relevant companies within our coverage universe.

**We reiterate our Buy recommendation and increase our PT from C\$5.00 per share to C\$5.75 per share.** Our increased PT is a result of the aforementioned price deck revision. Our valuation remains based on a DCF of operations at São Jorge, utilizing a 10% discount rate. We add in-situ value to the firm's other advanced assets, including Whistler, Titiribi, and La Mina at \$20/oz for Indicated resources and \$8/oz for Inferred resources. We also add value for the M&I gold resources at Yellowknife of \$25/oz, with Inferred gold resources valued at \$10/oz. This valuation is slightly higher than the company's other assets given the excellent geopolitical location of the site. In short, we continue to remain confident in GoldMining's ability to advance the Yellowknife project amid the strengthening gold market to drive future returns for shareholders.

**Risks.** (1) Gold price risk; (2) operating and technical risk; (3) financing risk; and (4) political risk.

GoldMining Inc.	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>São Jorge</b>													
Tonnes Processed (000's)			1,250	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Gold grade (g/t)			1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Gold Recovery			85.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
<b>Annual gold production</b>			<b>49,572</b>	<b>104,977</b>	<b>104,977</b>	<b>104,977</b>	<b>104,977</b>	<b>104,977</b>	<b>104,977</b>	<b>104,977</b>	<b>104,977</b>	<b>104,977</b>	<b>104,977</b>
Gold sales price	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
Total gold equivalent produced (000's oz)			49,572	104,977	104,977	104,977	104,977	104,977	104,977	104,977	104,977	104,977	104,977
<b>Total revenue</b>			<b>\$74,358</b>	<b>\$157,465</b>	<b>\$157,465</b>	<b>\$157,465</b>	<b>\$157,465</b>	<b>\$157,465</b>	<b>\$157,465</b>	<b>\$157,465</b>	<b>\$157,465</b>	<b>\$157,465</b>	<b>\$157,465</b>
Cost per tonne milled			\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00
Total operating costs			\$ (37,500)	\$ (75,000)	\$ (75,000)	\$ (75,000)	\$ (75,000)	\$ (75,000)	\$ (75,000)	\$ (75,000)	\$ (75,000)	\$ (75,000)	\$ (75,000)
<b>Gross profit (in 000's)</b>			<b>\$ 36,858</b>	<b>\$ 82,465</b>	<b>\$ 82,465</b>	<b>\$ 82,465</b>	<b>\$ 82,465</b>	<b>\$ 82,465</b>	<b>\$ 82,465</b>	<b>\$ 82,465</b>	<b>\$ 82,465</b>	<b>\$ 82,465</b>	<b>\$ 82,465</b>
CapEx (in 000's)	\$ (1,000)	\$ (75,000)	\$ (25,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)
(Tax) / Tax Benefit (in 000's)						\$ (24,140)	\$ (24,140)	\$ (24,140)	\$ (24,140)	\$ (24,140)	\$ (24,140)	\$ (24,140)	\$ (24,140)
<b>Operating cash flow</b>			<b>\$ (1,000)</b>	<b>\$ (75,000)</b>	<b>\$ 11,858</b>	<b>\$ 80,465</b>	<b>\$ 80,465</b>	<b>\$ 56,326</b>	<b>\$ 56,326</b>	<b>\$ 56,326</b>	<b>\$ 56,326</b>	<b>\$ 56,326</b>	<b>\$ 56,326</b>
<b>Total gold production</b>			<b>49,572</b>	<b>104,977</b>	<b>104,977</b>	<b>104,977</b>	<b>104,977</b>	<b>104,977</b>	<b>104,977</b>	<b>104,977</b>	<b>104,977</b>	<b>104,977</b>	<b>104,977</b>
<b>Cash costs per gold ounce produced</b>			<b>\$ 756</b>	<b>\$ 714</b>	<b>\$ 714</b>	<b>\$ 714</b>	<b>\$ 714</b>	<b>\$ 714</b>	<b>\$ 714</b>	<b>\$ 714</b>	<b>\$ 714</b>	<b>\$ 714</b>	<b>\$ 714</b>
<b>AISC per gold ounce produced</b>			<b>\$ 1,261</b>	<b>\$ 733</b>	<b>\$ 733</b>	<b>\$ 733</b>	<b>\$ 733</b>	<b>\$ 733</b>	<b>\$ 733</b>	<b>\$ 733</b>	<b>\$ 733</b>	<b>\$ 733</b>	<b>\$ 733</b>
Cash flow discount rate			10.0%										
	\$ (1,000)	\$ (68,182)	\$ 9,800	\$ 60,455	\$ 54,959	\$ 34,974	\$ 31,794	\$ 28,904	\$ 26,276	\$ 23,888	\$ 21,716	\$ 19,742	\$ 17,947
<b>Current value of cash flow</b>			<b>\$ 261,272</b>										
Plus cash & equivalents			\$ 28,325										
Plus Whistler			\$ 109,840										
Plus Titiribi & La Mina			\$ 175,280										
Plus Yellowknife Gold Project			\$ 33,865										
Plus Big Sky, ML, & NL			\$ 5,651										
Plus Crucero			\$ 4,700										
Plus other assets			\$ 60,000										
Less debt			\$ -										
<b>Total current value</b>			<b>\$ 678,933</b>										
Fully diluted shares			155,088										
GOLD share price	\$ 1.15												
GOLD NAV in US\$	\$ 4.38												
GOLD NAV in C\$	\$ 5.81												
<b>Rounded (C\$0.25) price target</b>			<b>\$ 5.75</b>										

Source: H.C. Wainwright &amp; Co. estimates.

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**Market Outperform (Buy):** The common stock of the company is expected to outperform a passive index comprised of all the common stock of companies within the same sector.

**Market Perform (Neutral):** The common stock of the company is expected to mimic the performance of a passive index comprised of all the common stock of companies within the same sector.

**Market Underperform (Sell):** The common stock of the company is expected to underperform a passive index comprised of all the common stock of companies within the same sector.



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**Distribution of Ratings Table as of August 16, 2019**

Ratings	Count	Percent	IB Service/Past 12 Months	
			Count	Percent
Buy	344	91.98%	120	34.88%
Neutral	28	7.49%	5	17.86%
Sell	0	0.00%	0	0.00%
Under Review	2	0.53%	0	0.00%
<b>Total</b>	<b>374</b>	<b>100%</b>	<b>125</b>	<b>33.42%</b>

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