

**June 25, 2020**
**GoldMining, Inc. (GOLD-CN)**  
**Rating: Buy**

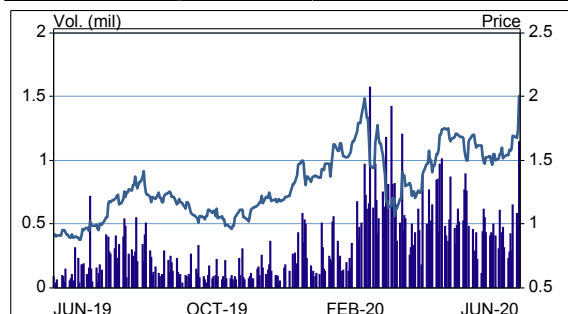
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## Creation of Gold Royalty Corp. May Unlock Future Shareholder Value; Yarumalito Technical Report; Reiterate Buy

Stock Data		06/24/2020	
Price		C\$2.00	
Exchange		TSX	
Price Target		C\$6.50	
52-Week High		C\$2.05	
52-Week Low		C\$0.82	
Enterprise Value (M)		C\$284	
Market Cap (M)		C\$292	
Shares Outstanding (M)		146.0	
3 Month Avg Volume		513,527	
Short Interest (M)		0.14	
Balance Sheet Metrics			
Cash (M)		C\$8.00	
Total Debt (M)		C\$0.00	
Total Cash/Share		C\$0.05	
Cash (M): Pro forma for acquisition of the Almaden project.			
General: all figures in C\$ unless otherwise noted.			
EPS Diluted			
Full Year - Nov	2019A	2020E	2021E
FY	C\$(0.05)	C\$(0.04)	C\$(0.04)
Revenue (C\$M)			
Full Year - Nov	2019A	2020E	2021E
FY	C\$0.0	C\$0.0	C\$0.0



**Creation of gold-focused royalty company.** On June 24, 2020, GoldMining announced the creation of Gold Royalty Corp. (GRC), a wholly owned subsidiary that is expected to focus on gold royalties. GRC's extensive portfolio includes 14 recently created net smelter return (NSR) royalties spread across GoldMining's current asset portfolio. In short, a NSR royalty represents a percentage of the gross revenue from mining operations after deducting transportation, brokerage, refining, and smelting expenses. Management's longer-term plans for GRC include various value-creating transactions, such as a spin-off, IPO, sale, or a merger. Additionally, we highlight that GRC has the opportunity to increase its royalty portfolio through certain buyback rights held by third parties. We have provided an overview of the royalties included with this transaction in Exhibit 1 on page 2 below.

**Filing of Yarumalito technical report.** On June 16, 2020, GoldMining announced the filing of an NI 43-101 technical report for its Yarumalito gold-copper project in Colombia. We note that the property is located approximately 40 kilometers (km) south from GoldMining's La Mina project, as well as only about 120km south of the city of Medellín. The technical report includes a maiden inferred resource estimate for the property, which is based both on porphyry and epithermal mineralization at site. The average inferred gold and copper grades at the project are 0.58 grams per tonne, and 0.09% copper, respectively, which we attribute to the porphyry-style geology found on the property. Yarumalito maintains a pit-constrained inferred resource of 1.23M ounces of gold and 129.26M pounds of copper, for a total of 1.50M gold equivalent ounces, which are based on 66.3M tonnes of total material in the inferred category.

**Future exploration and drill programs at Yarumalito.** To-date, historic drilling at the project amounts to 55 holes, as porphyry mineralization in drilling measures about 2,000m east-west, 500–1,000m north-south, and to a depth of about 650m below surface. We highlight that epithermal veining appears to overprint the porphyry-style mineralization at the site. We further expect that additional drilling is needed at the project in order to better define the geometry and continuity of the higher-grade epithermal veining. In short, GoldMining intends to pursue both the higher-grade potassic core of the gold-copper porphyry system, as well as further define the behavior of the aforementioned epithermal mineralization.

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**We are reiterating our Buy recommendation on GoldMining while maintaining our price target of C\$6.50 per share.** We highlight that streaming and royalty companies tend to trade at a premium when compared with producing or exploration firms. GoldMining therefore appears poised to benefit from a future re-rating if management can produce tangible value from its new subsidiary. For now, however, our valuation remains based on a DCF of operations at São Jorge, utilizing an unchanged 10% discount rate. We add in-situ value to the firm's other advanced assets, including Whistler, Titiribi, La Mina, Almaden, and Yarumalito at \$20/oz for indicated resources and \$8-10/oz for inferred resources. We value measured and indicated gold resources at Yellowknife at \$25/oz, with inferred gold resources valued at \$10/oz to account for the site's slightly more favorable geopolitical location. Looking ahead, we also believe that management could enter into a transaction that should provide liquidity to GoldMining, as well as a more tangible value to GRC. Notably, the markets appear to be reacting positively to yesterday's news as the stock advanced 15%, adding roughly \$38M in market cap, as compared to a 3% drop in the VanEck Vectors Junior Gold Miners ETF (GDXJ). In conclusion, we expect the firm to continue unlocking shareholder value through advancing its exploration-stage asset base, especially as gold prices continue to remain strong.

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

### Exhibit 1: List of Gold Royalty Corp.'s Royalties

Project	Country	Area (Ha)	Ownership	Gold Equivalent Ounces		Intended GRC Royalty	Comment
				M&I	Inferred		
Whistler	USA	17,159	100%	2,797,000	6,731,000	1% NSR Rights to acquire 0.75% NSR from 3rd party holder	Gold-copper porphyry and epithermal system District scale property Several mineralized porphyry centres require additional drilling Favourable preliminary metallurgical test results
Almaden	USA	1,724	100%	910,000	160,000	0.5% NSR	Low-sulphidation epithermal system Extensive metallurgical test work High-grade feeder targets
Yellowknife	Canada	12,120	100%	1,059,000	739,000	1% NSR	Orogenic gold system Extensive engineering studies Underground bulk sample and metallurgical studies Historic production
Titiribi	Colombia	3,919	100%	6,220,000	3,440,000	2% NSR	Gold-copper porphyry and epithermal system Three deposits and six mineralized targets
La Mina	Colombia	3,200	100%	1,013,000	427,000	2% NSR	Gold-copper porphyry and epithermal system Three deposits and several untested targets Favourable preliminary metallurgical test results La Garucha porphyry center partially drilled
Yarumalito	Colombia	1,453	100%	-	1,502,000	1% NSR Rights to acquire 1% NSR from 3rd party holder	Gold-copper porphyry and epithermal system Mineralization open laterally and at depth Favorable preliminary metallurgical results
Cachoeira	Brazil	4,742	100%	692,000	538,000	1% NSR	Orogenic gold system Environmental permit submitted to government for review
Sao Jorge	Brazil	45,997	100%	715,000	1,035,000	1% NSR Rights to acquire 0.75% NSR over existing deposit area and 1% NSR over claim outside such area, each from 3rd party holders	Orogenic gold system Favourable metallurgical studies Final exploration report submitted to government for review
Surubim	Brazil	14,611	100%	-	503,000	1% NSR Rights to acquire NSRs ranging from 0.5% to 1.5% over various claim areas from 3rd party holders	Orogenic gold system Early-stage exploration project
Boa Vista	Brazil	12,888	84%	-	336,000	1% NSR	Orogenic gold system Early-stage exploration project
Batistao	Brazil	5,108	100%	-	-	1% NSR Rights to acquire 2% NSR from 3rd party holders	Orogenic gold system Early-stage exploration project
Montes Auros	Brazil	2,000	51%	-	-	1% NSR on the Company's interest	Orogenic gold system Early-stage exploration project
Trinta	Brazil	9,568	51%	-	-	1% NSR on the Company's interest	Orogenic gold system Early-stage exploration project
Crucero	Peru	4,600	100%	993,000	1,147,000	1% NSR	Orogenic gold system Mineralization open laterally and at depth

Source: GoldMining press release on June 24, 2020.

GoldMining Inc.													
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
<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	\$ 1,575	\$ 1,575	\$ 1,575	\$ 1,575	\$ 1,575	\$ 1,575	\$ 1,575	\$ 1,575	\$ 1,575	\$ 1,575	\$ 1,575	\$ 1,575	\$ 1,575
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>\$78,076</b>	<b>\$165,338</b>	<b>\$165,338</b>	<b>\$165,338</b>	<b>\$165,338</b>	<b>\$165,338</b>	<b>\$165,338</b>	<b>\$165,338</b>	<b>\$165,338</b>	<b>\$165,338</b>	<b>\$165,338</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>\$ 40,576</b>	<b>\$ 90,338</b>	<b>\$ 90,338</b>	<b>\$ 90,338</b>	<b>\$ 90,338</b>	<b>\$ 90,338</b>	<b>\$ 90,338</b>	<b>\$ 90,338</b>	<b>\$ 90,338</b>	<b>\$ 90,338</b>	<b>\$ 90,338</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)	30.0%					\$ (26,501)	\$ (26,501)	\$ (26,501)	\$ (26,501)	\$ (26,501)	\$ (26,501)	\$ (26,501)	\$ (26,501)
<b>Operating cash flow</b>	<b>\$ (1,000)</b>	<b>\$ (75,000)</b>	<b>\$ 15,576</b>	<b>\$ 88,338</b>	<b>\$ 88,338</b>	<b>\$ 61,837</b>	<b>\$ 61,837</b>	<b>\$ 61,837</b>	<b>\$ 61,837</b>	<b>\$ 61,837</b>	<b>\$ 61,837</b>	<b>\$ 61,837</b>	<b>\$ 61,837</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)	\$ 12,873	\$ 66,370	\$ 60,336	\$ 38,396	\$ 34,905	\$ 31,732	\$ 28,847	\$ 26,225	\$ 23,841	\$ 21,673	\$ 19,703
<b>Current value of cash flow</b>	<b>\$ 295,720</b>												
Plus cash & equivalents	\$ 5,857	<i>Cash of C\$8.6M as of 2/29/20; pro forma for acquisition of Almaden</i>											
Plus Whistler	\$ 123,300	<i>\$20 per oz Au/eq M&amp;I; \$10 per oz Au/eq Inferred</i>											
Plus Titiribi & La Mina	\$ 175,280	<i>\$20 per oz Au/eq M&amp;I; \$8 per oz Au/eq Inferred</i>											
Plus Yellowknife Gold Project	\$ 33,865	<i>\$25 per oz Au/eq M&amp;I; \$10 per oz Au/eq Inferred</i>											
Plus Almaden	\$ 19,800	<i>\$20 per oz Au/eq M&amp;I; \$10 per oz Au/eq Inferred</i>											
Plus Yarumalito	\$ 12,016	<i>\$8 per oz Au/eq Inferred</i>											
Plus Big Sky, ML, & NL	\$ 5,651	<i>at cost</i>											
Plus Crucero	\$ 4,700	<i>at cost</i>											
Plus other assets	\$ 70,000	<i>primarily for the Rea Uranium asset and Cachoeira</i>											
Less debt	\$ -												
<b>Total current value</b>	<b>\$ 746,189</b>												
Shares outstanding	145,973	<i>as of 4/14/20</i>											
Warrants, options, and RSUs	11,448	<i>as of 4/14/20</i>											
Fully diluted shares	157,421	<i>as of 4/14/20</i>											
GOLD share price	\$ 2.00	<i>as of 6/24/20</i>											
GOLD NAV in US\$	\$ 4.74	<i>69.0% discount to NAV</i>											
GOLD NAV in C\$	\$ 6.46	<i>0.73 CAD/USD exchange rate as of 6/24/20</i>											
<b>Rounded (C\$0.25) price target</b>	<b>\$ 6.50</b>												
<i>Source: H.C. Wainwright &amp; Co. estimates.</i>													

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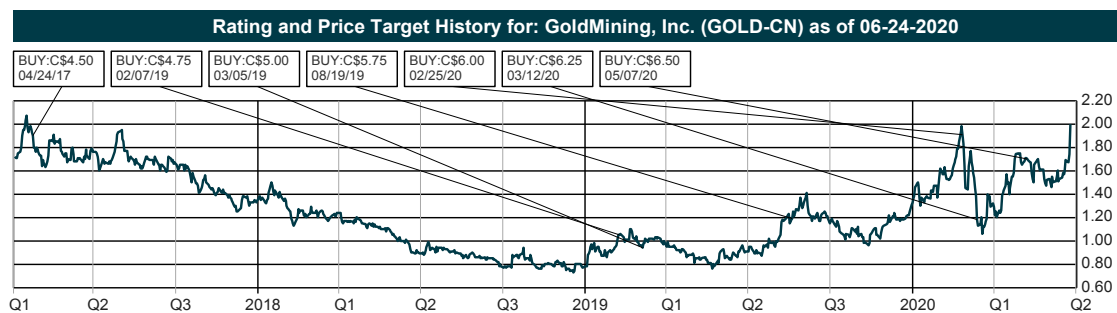
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Distribution of Ratings Table as of June 24, 2020					
Ratings	Count	Percent	IB Service/Past 12 Months		
			Count	Percent	
Buy	392	90.74%	141	35.97%	
Neutral	37	8.56%	8	21.62%	
Sell	0	0.00%	0	0.00%	
Under Review	3	0.69%	3	100.00%	

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