

**U.S. GoldMining Inc. (USGO)**  
**Rating: Buy**

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### Exploration Update Provided For Whistler; Growth Opportunity at Rainmaker and Additional Targets; Reit. Buy; PT Higher

Stock Data		12/06/2023		
Price		\$6.90		
Price Target		\$23.00		
52-Week High		\$17.24		
52-Week Low		\$8.31		
Enterprise Value (M)		\$72		
Market Cap (M)		\$86		
Shares Outstanding (M)		12.4		
3 Month Avg Volume		12,082		
Short Interest (M)		0.02		
Balance Sheet Metrics				
Cash (M)		\$13.8		
Total Debt (M)		\$0.0		
Total Cash/Share		\$1.11		
EPS (\$) Diluted				
Full Year - Dec		2022A	2023E	2024E
FY		(0.17)	(0.70)	(0.46)
FY P/E		NM	NM	NM
Revenue (\$M)				
Full Year - Dec		2022A	2023E	2024E
FY		0.0	0.0	0.0



**Exploration update for the Whistler project provided.** U.S. GoldMining (USGO) recently announced an update on its Phase 1 drilling program, which began in August 2023. As of this update, the company had drilled 1,674 meters (m) at the Whistler deposit. Management thereby aims to test the southern extents of the porphyry system. We highlight that this drilling looks to improve the geological model for the asset, while simultaneously collecting metallurgical and geotechnical data. Importantly, assays from the Whistler deposit remain pending for all drill holes, while core from the first three holes has already been logged and sampled on-site by the firm's technical team.

**Further growth opportunity from Rainmaker South amid additional targets.** USGO also recently commenced drilling at the Rainmaker South prospect, which sits just one kilometer to the southeast of the Whistler deposit. In our view, Rainmaker represents a potential porphyry system, which could yield yet another bulk tonnage opportunity within the property. Historically, this geologic potential has been confirmed through drilling, which brought Whistler-like, porphyry-style gold and copper mineralization.

**We are reiterating our Buy rating on USGO while slightly increasing our PT to \$23 from \$22.** Our revised PT is a result of an increased value per gold equivalent ounce (GEO) applied to the firm's current resources. Unsurprisingly, our valuation for the firm remains mostly based on the Whistler project. As a result, we derive our valuation from a dollar value per GEO. We reach this value based on an average of enterprise values per GEO across a basket of comparable gold companies that are located throughout other favorable mining jurisdictions. In turn, we apply a \$22.10/GEO value to the company's resources, while utilizing a 0.9x multiple on this figure for Inferred ounces. This yields a total asset value of \$194.4M, or \$13.67 per share. We then add \$120.0M in value (\$8.44 per share) for Muddy Creek and other development prospects, plus \$13.8M in cash. The company has no debt. This calculation gives our overall firm NAV of \$328.1M, or \$23.08 per share, which yields a rounded price target of \$23.00. We reiterate that USGO intends to pursue an economic study for the project, at which time we expect to revise our valuation to incorporate a DCF valuation for the site.

**Near-term catalysts.** Given the ongoing drilling at site, we expect assays for the firm's Phase 1 program to become available in the short and intermediate term. Additionally, USGO's geological team continues to deploy additional search criteria in order to identify and rank targets for the company's 2024 drilling campaign based on the wide range of targets at site. Finally, we stress that U.S. GoldMining remains well positioned to grow the consolidated resource through the delineation of multiple porphyry-style targets at site since the firm has about \$13.8M of cash and cash equivalents as of August 31, 2023.

**Risks.** (1) Metal price risk; (2) exploration risk; (3) and financial risk.

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**U.S. GoldMining Inc.**

Note: Figures below in \$000's unless otherwise indicated.

<b>Value of resources at the Whister project</b>	\$ 194,356	\$ 13.67	per share	Valued at	\$ 22.10	per GEO	0.9x Multiple utilized for Inferred Ounces
Value for Muddy Creek and other prospects	\$ 120,000	\$ 8.44	per share				
Plus cash and equivalents	\$ 13,778	\$ 1.11	per share	as of August 31, 2023.			
Less debt	\$ -	\$ -	per share	as of August 31, 2023.			
<b>Total current value</b>	<b>\$ 328,134</b>	<b>\$ 23.08</b>	<b>per share</b>				
Common shares	12,394	as of 10.10.23					
Options and Warrants	1,824	as of 10.10.23					
Fully diluted shares	14,218	as of 10.10.23					
U.S. GoldMining share price	\$ 6.90	as of 12.6.23		<b>70% discount to price target</b>			
U.S. GoldMining Net Asset Value	\$ 23.08						
<b>Rounded (\$0.50) price target</b>	<b>\$ 23.00</b>						

**Comparable companies and associated Ev/GEO values.**

Company Name	Share Price (USD)	Shares Out. (M)	Market Cap. (\$M)	Debt	Cash (\$M)	EV (\$M)	Mineral Resources (GEOs Moz)	EV/GEO
International Tower Hill (THM; not rated)	\$ 0.40	195.89	\$ 77.43	\$ -	\$ 4.80	\$ 72.63	13.60	\$ 5.34
HighGold (HIGH.V; not rated)	\$ 0.47	87.76	\$ 41.25	\$ -	\$ 5.97	\$ 35.28	1.16	\$ 30.39
Heliostar (HSTR.V; not rated)	\$ 0.24	147.77	\$ 35.47	\$ -	\$ 5.07	\$ 30.39	3.26	\$ 9.33
Grande Portage Resources (GPG.V; not rated)	\$ 0.19	113.70	\$ 21.60	\$ -	\$ 0.32	\$ 21.29	1.52	\$ 13.99
First Mining (FF.TO; Buy)	\$ 0.15	893.75	\$ 129.59	\$ -	\$ 13.56	\$ 116.04	10.71	\$ 10.83
Probe Gold (PRB.TO; not rated)	\$ 1.57	162.16	\$ 254.60	\$ -	\$ 25.37	\$ 229.22	4.74	\$ 48.34
Ascot Resources (AOT.TO; not rated)	\$ 0.54	555.95	\$ 300.21	\$ -	\$ 154.00	\$ 146.21	3.10	\$ 47.20
Troilus Gold (TLG.TO; not rated)	\$ 0.42	235.79	\$ 99.03	\$ -	\$ 5.13	\$ 93.91	8.11	\$ 11.58
							<b>Average EV/GEO (rounded)</b>	<b>\$ 22.10</b>

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

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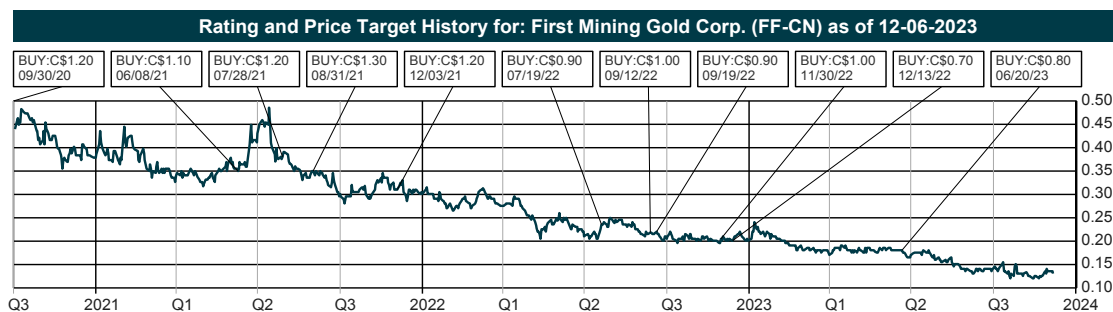
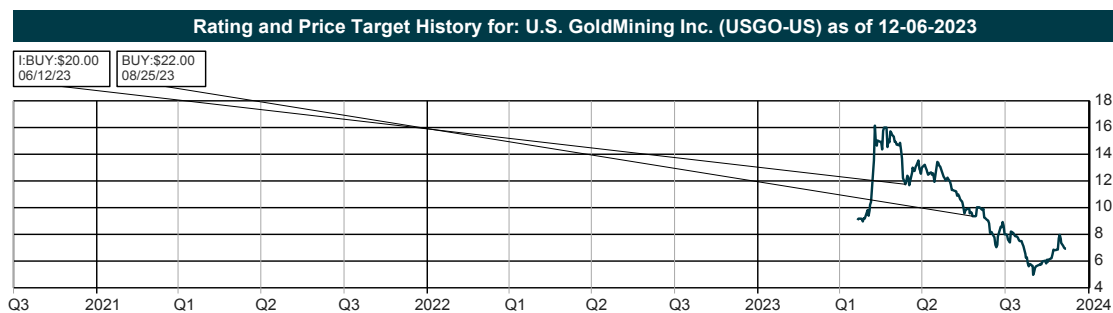
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## Related Companies Mentioned in this Report as of Dec/06/2023

Company	Ticker	H.C. Wainwright Rating	12 Month Price Target	Price	Market Cap
First Mining Gold Corp.	FF.TO	Buy	C\$0.80	C\$0.13	C\$108

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Ratings	Count	Percent	IB Service/Past 12 Months	
			Count	Percent
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