

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

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**Foundation For Meaningful Growth of Already Impressive
 Resource Base; Initiating Coverage With a Buy Rating and \$20 PT**

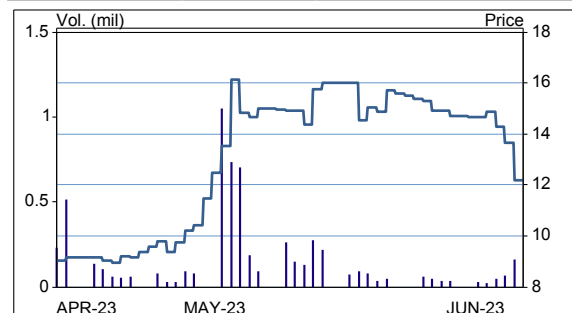
Stock Data		06/09/2023
Price		\$12.19
Exchange		NASDAQ
Price Target		\$20.00
52-Week High		\$17.24
52-Week Low		\$8.31
Enterprise Value (M)		\$133
Market Cap (M)		\$150
Shares Outstanding (M)		12.3
3 Month Avg Volume		168,844
Short Interest (M)		0.09

Shares Outstanding (M): Pro forma for shares issued under recent IPO.

Balance Sheet Metrics	
Cash (M)	\$17.4
Total Debt (M)	\$0.0
Total Cash/Share	\$1.41

Cash (M): Pro forma for IPO proceeds.

EPS (\$) Diluted			
Full Year - Dec	2022A	2023E	2024E
FY	(0.17)	(0.48)	(0.47)
FY P/E	NM	NM	NM
Revenue (\$M)			
Full Year - Dec	2022A	2023E	2024E
FY	0.0	0.0	0.0



Strong resource that maintains meaningful growth potential. U.S. GoldMining's (USGO) Whistler project maintains a significant gold and copper resource located within a world-class mining jurisdiction. The project, which is located just 150 kilometers (km) northwest of Anchorage, Alaska, hosts multiple deposits offering a variety of mineralization styles and mining opportunities. On a consolidated basis, the site presently hosts 3.0M Indicated gold equivalent ounces (GEOs).

We believe that 6.4M GEOs in the Inferred category offers significant opportunity. We expect USGO's management team to further de-risk these ounces going forward. We also believe the conversion of Inferred ounces into the Indicated category should prove to be a catalyst in driving the project's value. In the longer term, we expect these resources to form the basis for an economic study.

Fully funded to de-risk the Whistler project. Given its recent initial public offering (IPO), the firm presently maintains a *pro forma* cash balance of \$17.4M. In turn, we anticipate the company to target resource conversion and expansion at site. Management is already tasked with publishing a Preliminary Economic Assessment (PEA), which could encapsulate mining scenarios for the Whistler, Raintree, and Island Mountain deposits at site.

We are initiating coverage of USGO with a Buy rating and PT of \$20. Our valuation for the firm is mostly based on the Whistler project. We emphasize a present lack of a published economic study for the asset. 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 \$16.35/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 \$143.8M, or \$10.17 per share. Further, we add \$120.0M in value (\$8.49 per share) for Muddy Creek and other development prospects, and \$17.4M in cash, amid no debt, to reach our overall firm NAV of \$281.2M, or \$19.89 per share, which yields a rounded price target of \$20. We reiterate that USGO intends to pursue an economic study for the project, at which time we expect to value the asset through a DCF valuation.

Near-term catalysts. Looking ahead, the primary near-term value driver for USGO is likely to be its success with the drill bit. As discussed throughout this report, Whistler has seen incremental exploration work from a variety of different operators throughout its past. We nonetheless believe that a significant amount of value has been left on the table. In addition, we expect this value to be unlocked under USGO's ownership as the project is now poised to benefit from a dedicated technical team and a fully funded systematic drill program that we expect to be utilized as the basis of a maiden economic study. In turn, the firm remains fully permitted to conduct a broad-scale exploration program in 2023. Subsequently, mine design and financial modeling is expected to be completed in 2024 following the completion of a scoping study.

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



Overview – Company and Asset Introduction

Introduction to U.S. GoldMining. USGO is an exploration-stage company focused on the development of its Whistler gold-copper project in the Yentna district of Alaska. Notably, the project maintains a published S-K 1300 Technical Report and a NI 43-101 Resource Estimate with an effective date of September 22, 2022. In our view, these extensive reports already provide a baseline for project growth and advancement. Going forward, however, U.S. GoldMining's management team intends to advance exploration at Whistler through the recent capital raised from the company's IPO that was completed on April 24, 2023. In our view, the firm maintains significant future exploration and expansion potential across the property's 53,700-acre land package.

Introduction to an established resource at the Whistler project. Over multiple decades, the Whistler project has seen a series of drill campaigns that ultimately led to the definition of a resource estimate. At present, the project maintains an Indicated resource of 2.99M gold equivalent ounces (GEOs), consisting of 1.93M ounces (oz) of gold, 8.33Moz of silver, and 421.98M pounds of copper. Further upside is also demonstrated through a combined open-pit Inferred resource of 5.16M GEOs, with 3.64Moz of gold, 12.85Moz of silver, and 604.01Mlbs of copper having been defined in this category. Lastly, we emphasize additional potential through the property's underground Inferred resource that presently offers 1.28M GEOs, with an additional 6.4M GEOs of Inferred resources. Longer-term, we expect Whistler to provide meaningful potential for additional value creation based on its large-scale land package, as the current resource figures are based on just 70,000 meters (m) of drilling. Additionally, we expect USGO to target the conversion of the project's Inferred resources into a higher confidence category, which should meaningfully de-risk the asset going forward.

Exhibit 1: Mineral Resource Estimate for the Whistler Project

Class	Deposit	Cut-off Value (\$/t)	ROM tonnage (000's t)	In situ Grades					In situ Metal			
				NSR (\$/t)	AuEq (gpt)	Au (gpt)	Cu (%)	Ag (gpt)	AuEq (koz)	Au (koz)	Cu (kilbs)	Ag (koz)
Indicated	Whistler	10.5	107,771	26.44	0.79	0.5	0.17	1.95	2,738	1,749	399,396	6,757
	Raintree-Pit	10.5	7,756	20.61	0.67	0.49	0.09	4.88	166	121	14,893	1,216
	Indicated Open Pit	10.5	115,527	26.05	0.78	0.5	0.16	2.15	2,904	1,871	414,289	7,973
	Raintree-UG	\$25 shell	2,675	34.02	1.03	0.79	0.13	4.18	89	68	7,690	359
	Total Indicated	varies	118,202	26.23	0.79	0.51	0.16	2.19	2,993	1,939	421,979	8,332
Inferred	Whistler	10.5	153,536	19.17	0.57	0.35	0.13	1.48	2,829	1,706	455,267	7,306
	Island Mountain	10.5	111,901	18.99	0.57	0.47	0.05	1.06	2,042	1,701	130,751	3,814
	Raintree-Pit	10.5	11,774	24.28	0.77	0.62	0.07	4.58	291	235	17,988	1,732
	Inferred Open Pit	10.5	277,211	19.32	0.58	0.41	0.1	1.44	5,162	3,642	604,006	12,851
	Raintree-UG	\$25 shell	39,772	32.65	1.00	0.80	0.12	2.51	1,284	1,027	107,411	3,208
	Total Inferred	varies	316,983	20.99	0.63	0.46	0.1	1.58	6,446	4,669	711,417	16,060

Source: Whistler's September 2022 NI-43 101 Technical Report.

Near-term focus on project growth through exploration. As discussed throughout this report, the Whistler project was subject to various exploration campaigns over the last few decades. While no full-fledged exploration program at the site has been conducted since 2011 (as the prior owner had numerous other assets to focus on), we anticipate U.S. GoldMining to build out its previously mentioned resource. We also stress that permitting for a 2023 summer drill program is already in place.

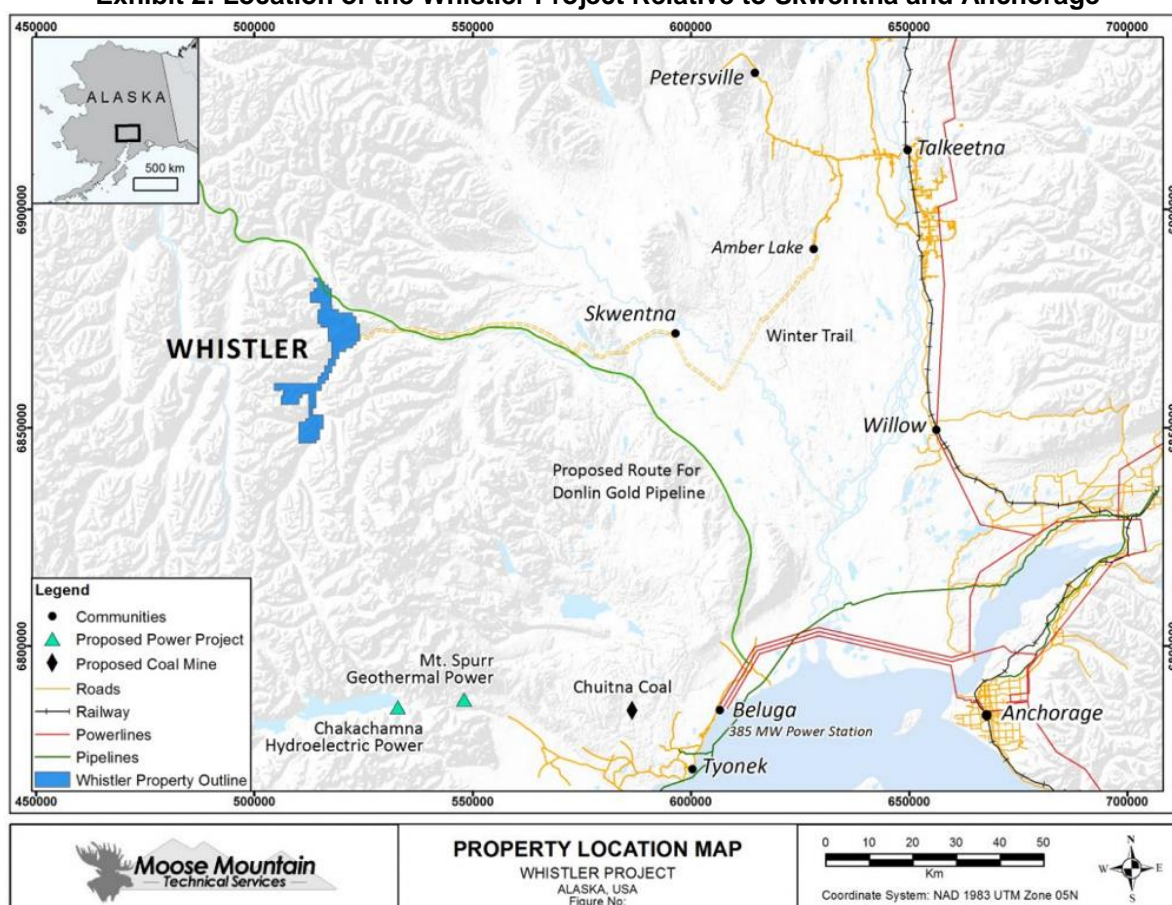
Funding is in place as well. We believe the firm remains adequately funded to execute on its proposed systematic exploration program, having recently raised \$17.3M from its IPO proceeds. In turn, management anticipates allocating about \$6.2M toward exploration and development activities at Whistler, such as infill and exploration drilling. Importantly, over the next 12 months company management presently anticipates spending roughly \$1.2M on permitting and reporting expenses, \$2.0M for G&A expenses, \$4.3M for general working capital purposes, and \$2.4M related to the repayment of current liabilities including an advance to GoldMining (GLDG; Buy).

Project Setting and Location Remains Favorable

Relatively proximal location to significant infrastructure. We reiterate that the Whistler Project sits within the Yentna Mining District of Alaska. In our view, this location allows for ease of access on a private plane (during our site visit discussed later in this report we left and returned to Anchorage on the same day), being located just 150km from Anchorage and 76km west of the Skwentna township, as seen in Exhibit 2 below. Infrastructure at site currently consists of an all-season camp facility that is equipped with diesel generators, a satellite communication link, tent structures, and several wood-framed buildings.

Infrastructure and access are paramount. We believe the project's proximity to established metropolitan areas, such as Anchorage, is likely to play a pivotal role in the asset's development. Additionally, we note that the property maintains access by way of fixed-wing aircraft to the Whiskey Bravo gravel airstrip, which is adjacent to the Whistler exploration camp. While less substantial in terms of size and infrastructure, we also highlight that the town of Petersville is located just 100km west of Whistler.

Exhibit 2: Location of the Whistler Project Relative to Skwentna and Anchorage

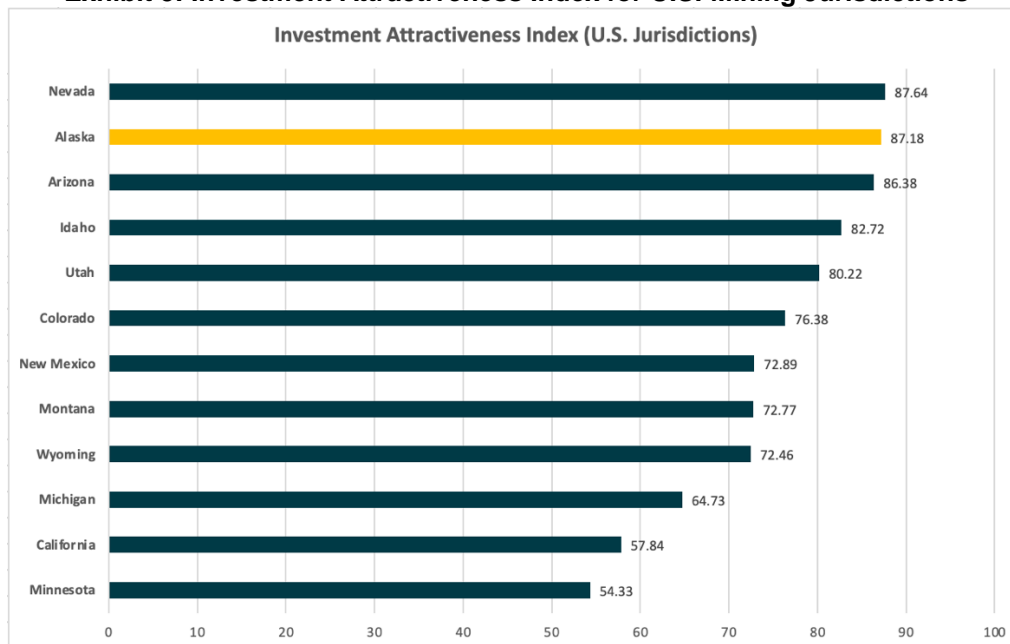


Source: Whistler's September 2022 NI-43 101 Technical Report.

World-Class Mining Jurisdiction Conducive to Project Development

Highlighting Alaska's ranking as a top-tier jurisdiction. We expect Whistler to ultimately benefit from Alaska's relatively favorable stance on mining. Further, even though we recognize that the project remains early-stage in nature, geopolitical risk factors over the last few years have gotten more and more important for investment decisions. In highlighting the jurisdiction's viewpoint on resource development, we emphasize the state's position as one of the highest-ranked regions, both in the U.S. and globally, based on investment attractiveness according to the Fraser Institute. Importantly, and as seen in Exhibit 3 below, Alaska received the second-highest score for investment attractiveness across the United States in 2021, coming in only behind Nevada.

Exhibit 3: Investment Attractiveness Index for U.S. Mining Jurisdictions

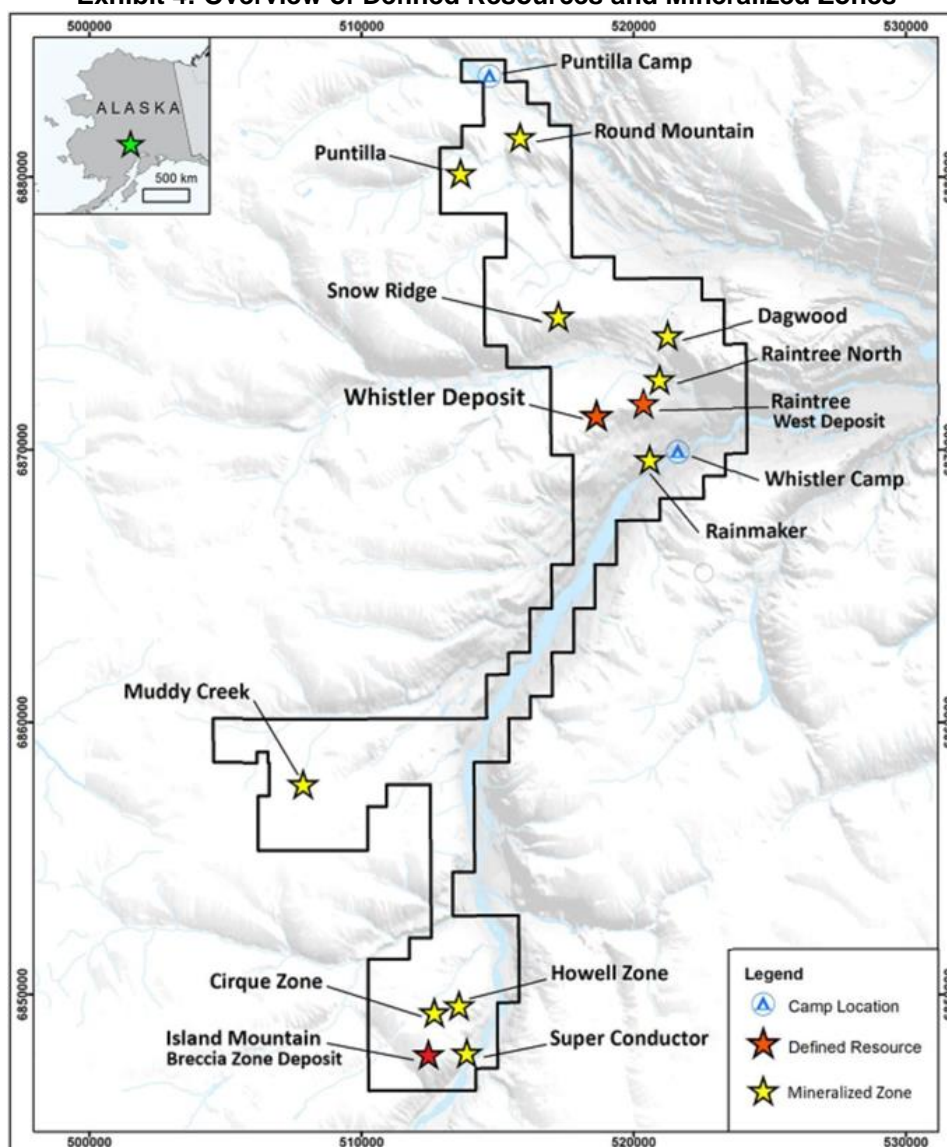


Source: Fraser Institute Annual Survey of Mining Companies 2021.

Geological Overview and Exploration Upside

Whistler plays host to a variety of deposit types highlighted by porphyry potential. The Whistler project is situated within the Alaska Range, while two main intrusive suites play an important role in precious and base metal mineralization at site. Notably, the Whistler deposit, Raintree deposit, and Island Mountain deposit embody porphyry-style gold-copper mineralization. In addition, these deposits share similar styles of alteration, mineralization, and veining typical of a porphyry system, which is highlighted by a strong correlation to induced polarization chargeability and resistivity anomalies. In short, and as previously laid out in this note, the Whistler project maintains resource estimates for the Whistler deposit, Raintree West and Island Mountain, as seen below in Exhibit 4. Finally, we stress that a suite of relatively untested mineralized targets offer additional upside within the property boundary.

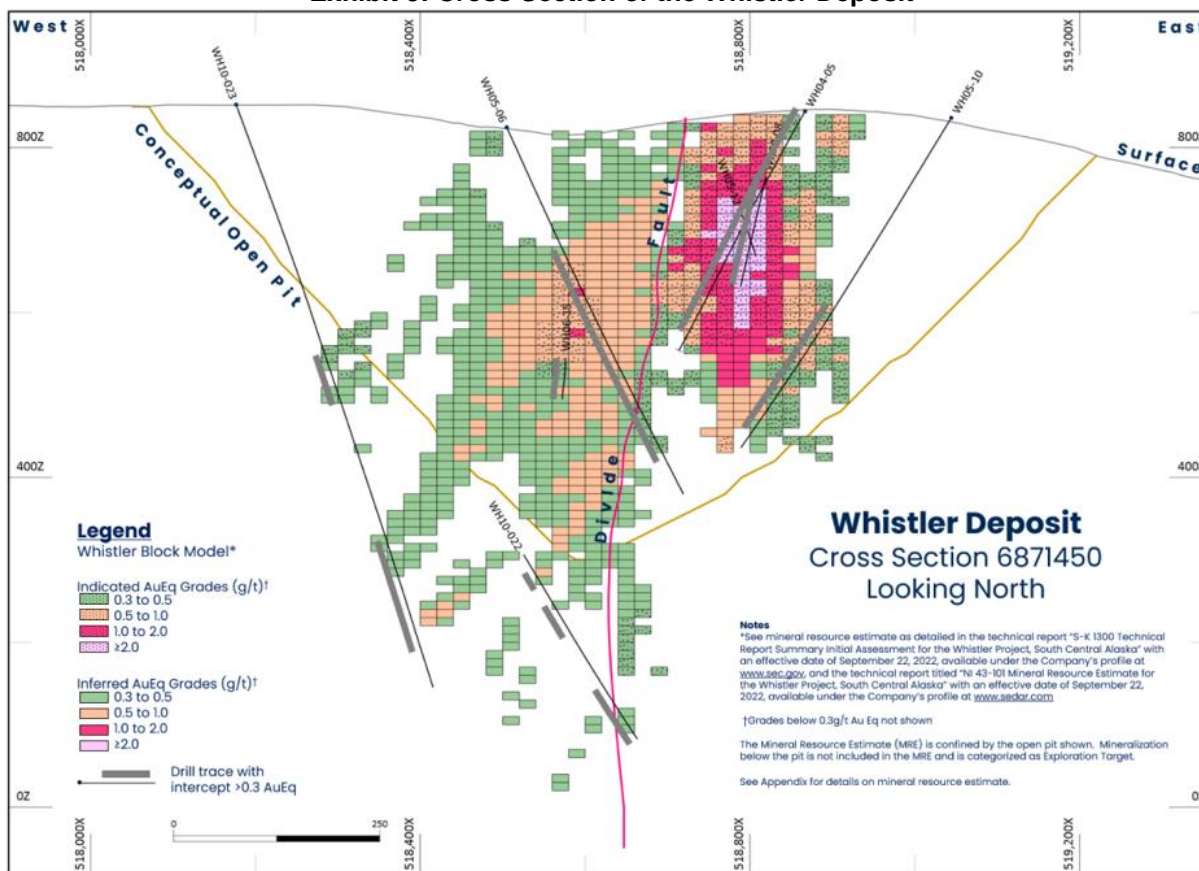
Exhibit 4: Overview of Defined Resources and Mineralized Zones



Source: Whistler's September 2022 NI-43 101 Technical Report.

Expansion opportunity at Whistler. Based on the most recently published technical report for the Whistler project, a series of opportunities and recommendations have been laid out pertaining to potential resource growth going forward. As illustrated in Exhibit 5 below, the Whistler deposit maintains strong exploration potential adjacent to the base case pit to the north, west, south, and at depth. Additionally, a better understanding of structural components within the Whistler deposit could ultimately provide an opportunity for increased resources, as certain blocks remain un-interpolated within the diorite solid of the deposit. Longer-term, we believe that there is room for a revised geologic model through the re-logging of core in order to better understand mineralization as it relates to intrusions within the deposit. Finally, we view a re-logging campaign as relatively low-cost in nature and believe that it could ultimately provide improved insight into Whistler's geologic tendencies and structural drivers.

Exhibit 5: Cross Section of the Whistler Deposit



Source: Whistler's September 2022 NI-43 101 Technical Report.

Nearby geological analog lays out potential for Muddy Creek. The Muddy Creek prospect offers the potential to host a low-grade, bulk tonnage, Intrusive Related Gold (IRG) resource. Importantly, mineralization at site remains distinct from the Whistler porphyry model seen throughout the rest of the property. While historical exploration at Muddy Creek remains limited, we emphasize past exploration success at adjacent and analogous mineralized prospects. We believe that this mineralization style provides substantial growth opportunity as Muddy Creek's mineralization is characterized to be an IRG deposit. We highlight that the current operator at the Estelle project (adjacent to Muddy Creek) has delineated the Korbel Main deposit, which offers 2.5km of strike length at a depth of 500m, with strong bulk tonnage potential. On a consolidated basis, the Estelle project hosts 9.9Moz of gold within the Measured & Indicated (M&I) and Inferred categories at an average grade of 0.3 grams per tonne (gpt) gold. In short, while low-grade in nature, we believe that Estelle provides important insight into the potential at Muddy Creek based on their similar mineralization styles and proximity to one another.

Highlighting historical exploration work at site. Initial mapping and geochemical work at site began in the late 1960s through a program carried out by the U.S. Geological Survey. Notably, this program identified various base and precious metal occurrences over a large swath of land in the southern Alaska Range. Jumping ahead to 1986, exploration at the project began to ramp up under Cominco Alaska, which led to the discovery of the Whistler and Island Mountain gold-copper porphyry occurrences. Subsequent to a lapse in the Whistler project claims, Kennecott previously conducted significant exploration programs from 2004 through 2006. Notably, the firm invested about \$6.3M into the site during that period. In turn, we view the historic work as relatively modest in scale, thereby leaving an abundance of exploration and expansion upside to be uncovered.

Historic work gets further improvements. The Whistler property changed ownership after 2006 following various fragmented exploration programs. The site also featured an eventual publication of a mineral resource estimate. In our view, and when looking over the historic work completed to date, it becomes apparent that the Whistler property lacks coherent and systematic exploration given limited expenditures hindered by several downturns in the gold cycle. In contrast, however, we believe that U.S. GoldMining maintains the focus, capital, and technical expertise to fully explore and develop the asset, as previous work has indicated significant growth potential.

Potential Mining Techniques at the Whistler Project

Deposit characteristics provide opportunity for potential open-pit operations across multiple targets. While deciding the current mining method for the Whistler Project remains premature in nature, we intend to highlight a series of deposit characteristics across the property that could warrant a low-cost open-pit scenario, as well as cost-effective underground scenarios. In turn, we reiterate that the Whistler and Raintree deposits maintain a combined open-pit resource of 2.9Moz of gold within the Indicated category, as well as a combined Inferred open-pit resource of 5.2Moz. Additionally, while a 2011 study confirmed the open-pit potential of the Whistler and Raintree deposits, the more recent technical report also entertains the opportunity for a bulk tonnage operation at Muddy Creek. Notably, a block cave technique may be suitable for Raintree in order to target mineralization below the 100m threshold given its similarities to the New Afton mine located in British Columbia.

Highlighting operations at New Afton as an analog for Raintree. The New Afton mine, operated by New Gold (NGD; not rated) in British Columbia, utilizes an underground block caving technique, which allows the extraction of a larger volume of lower grade material at depth. In turn, and as Raintree exhibits similar porphyry characteristics, we believe this deposit is suitable for a similar mining scenario to that used at New Afton. In our view, while block cave mining represents a relatively new technique, we emphasize that it offers a significant reduction in mining costs coupled with the ability to mine material at a high rate. In terms of scale, we highlight that New Afton's most current M&I resource sits at 1.2Moz of gold (excluding 0.8Moz of reserves) at an average grade of 0.57 gpt gold, while Raintree exhibits a similar scale of 1.5Moz of gold within the Indicated and Inferred category. Additionally, Raintree's open pit Indicated gold grade of 0.49 gpt sits just below New Afton's M&I grade of 0.57 gpt, while Inferred open pit grades at Raintree see a jump to 0.62 gpt. Overall, we believe that the potential value for Raintree remains significantly discounted given a lower confidence resource (since a majority of *in situ* metal remains in the Inferred category). Going forward, we believe USGO remains in a favorable position to further demonstrate the economic viability of mining at Raintree should the firm successfully convert these ounces.

The Whistler deposit also offers an open pit opportunity. As seen in the previous cross-section, the Whistler project's mineralization sits near surface, thereby offering a potential open pit mining scenario, which once again offers a low-cost mining opportunity at site. Based on the deposit's shallow nature, we believe a limited amount of pre-stripping would be required to access ore, ultimately reducing upfront capital requirements. In turn, we imagine a scenario in which the development of Whistler as an open pit project could provide a low-cost entry point for production at site. Longer-term, Raintree could ultimately facilitate an expansion opportunity as it also provides an open pit resource prior to expanding at depth. In short, while the firm has not published any economics for the Whistler project, we believe there is a significant opportunity for profitability across multiple deposits throughout the overall property.

Historic metallurgy yields strong results. Metallurgical testing was carried out on the Whistler deposit from 2005 – 2006. Preliminary work included gravity concentration or flotation to recover gold and copper, as the deposit was found to be amenable to conventional flotation to produce high-quality copper concentrates with gold credits. It was also determined that there were no deleterious elements that may have a significant effect on the economic extraction of metals. Additionally, copper recovery at Island Mountain was found possible through flotation as gold is expected to be free milling. In turn, gold recoveries at Island Mountain were within the range of 90% through whole ore leaching, or a combination of flotation and leaching of the tailings. Metal recoveries reported for the Whistler project resource were approximately 83% for copper, 70% for gold, and 65% for silver. In conclusion, we believe these studies provide important insight into the potential metallurgy across various deposits at the site even though they remain quite historic in nature

Site Visit to the Whistler Project in Alaska

On April 3, 2023, we had a chance to tour U.S. GoldMining's Whistler property in Alaska. Importantly, we were able to conduct the visit in a single day with a chartered plane as the project is only about 100 miles from Anchorage and has a little adjacent airstrip. During our visit, we were hosted by numerous members of the Nova camp, which is adjacent to the Whistler camp, and shares an airstrip with Whistler. Importantly, Nova Minerals (NVAAF; not rated) and its Estelle project have kept staff at its site throughout the winter this year, thereby allowing us easy access during a time when Whistler has no on-site staff present.

Exhibit 6: Aerial View of the Nova and Whistler Camps



Source: H.C. Wainwright & Co. site visit to U.S. GoldMining's Whistler project on April 3, 2023.

Flight showed infrastructure in the area. We had a chance to see the local deep-water port and an existing power grid on our flight to the site. While still some distance away, we nonetheless believe that infrastructure opportunities for the site are quite good. In addition, we anticipate that permitting of the road and power supply for the site should ultimately be simple based on Alaska's pro-mining views. Notably, the site has a booster located on the hill, which picks up cell phone signals. This allows for cell phone usage at site depending on the provider.

Exhibit 7: Deep-Water Port



Source: H.C. Wainwright & Co. site visit to U.S. GoldMining's Whistler project on April 3, 2023.

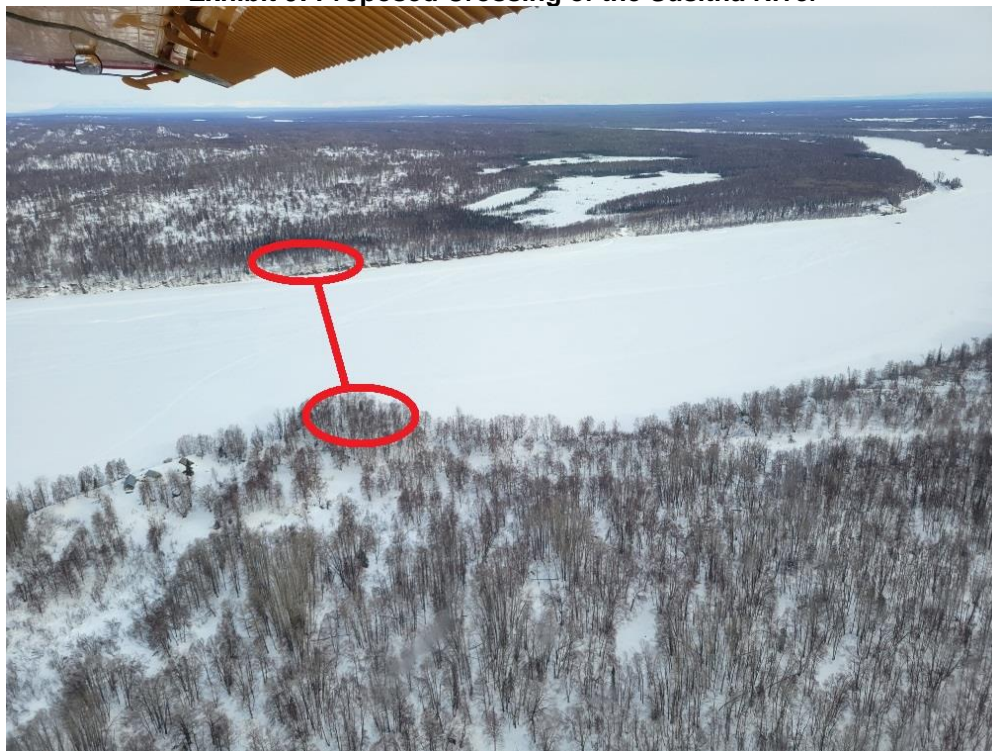
Exhibit 8: Grid Power



Source: H.C. Wainwright & Co. site visit to U.S. GoldMining's Whistler project on April 3, 2023.

The firm needs to create several water crossings to reach the site. Importantly, the road as it is currently envisioned, includes several water crossings, including one over the Susitna River. While not cheap, we stress that the anticipated crossings are not all that long when looking at other mine access roads in Alaska and in other areas such as British Columbia and the Yukon.

Exhibit 9: Proposed Crossing of the Susitna River



Source: H.C. Wainwright & Co. site visit to U.S. GoldMining's Whistler project on April 3, 2023.

Safety precautions even before our arrival. Prior to our arrival at site, we received an extensive list of safety requirements and steps undertaken if one were to lose contact with Anchorage. While there have been no issues with the site in the past, the firm nonetheless showed an extensive level of preparation. In our view, this shows that U.S. GoldMining takes safety very seriously and always maintains a "Plan B" for operations at its site.

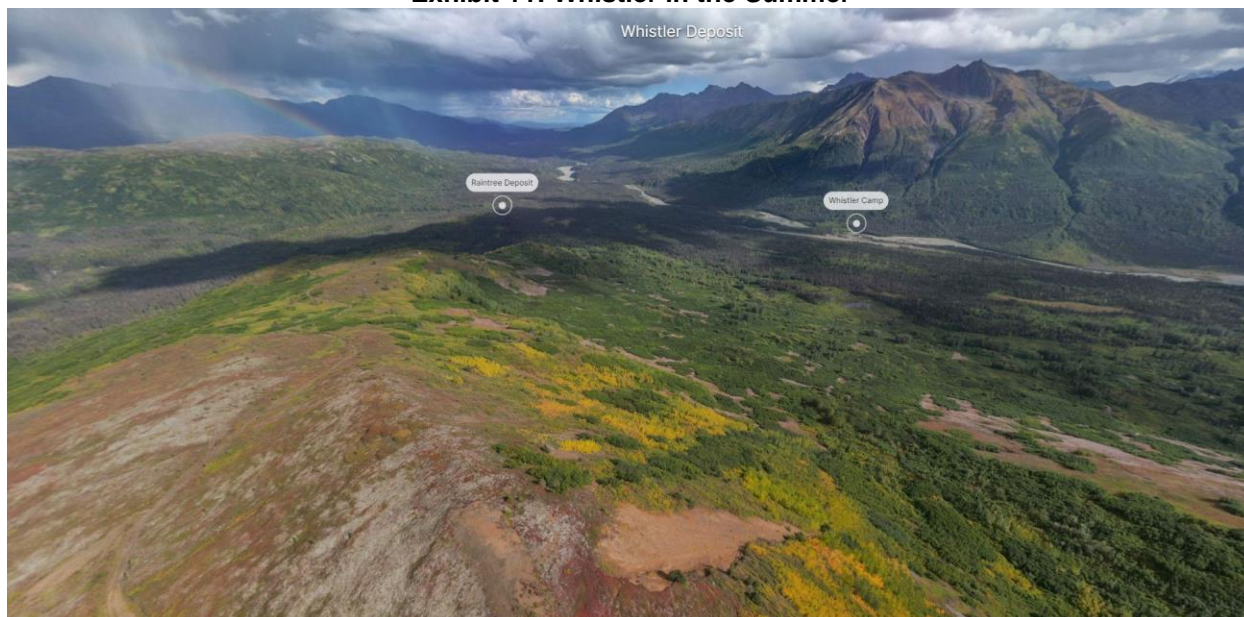
Safety remains paramount. Upon arrival, we received a brief safety induction before getting a tour of the Nova camp, which is only about a two-minute ride from the airstrip. We then proceeded to head to Whistler, which took about 25 minutes on a tracked vehicle. We then had a chance to see Whistler for ourselves, though note that most of the area was covered in snow. We stress that the camp was also visible in the distance, thereby showing its proximity to site. We then headed back to the Nova camp for a late lunch before flying back to Anchorage in time for dinner.

Exhibit 10: Tracked Vehicles Used for Traveling Around Site

Source: H.C. Wainwright & Co. site visit to U.S. GoldMining's Whistler project on April 3, 2023.

Nova, while not a direct partner, makes life easier in a variety of ways. In our view, having Whistler in close proximity to an ongoing drill program should help in re-starting operations at the Whistler camp. Benefits include obvious money-saving opportunities such as sharing an airstrip, and the ability to get some replacement parts from an adjoining camp. In addition, we also highlight less obvious advantages, such as having a second mining operation in the area helping employment and local support, as mining remains mostly contained in a singular area.

Copper and gold outcroppings large enough to be seen from the sky. We had a chance to see copper and gold outcroppings at Whistler peeking through the snow during our flight to site. In our view, this displays not only the large size of the deposit, but also the limited stripping required in order to reach and access the ore body at Whistler.

Exhibit 11: Whistler in the Summer

Source: Company reports.

The camp has been left quite complete. Whistler's camp appears to have many of the items needed for its eventual restart of operations on short notice. It appears as if workers last left the site with plans to arrive back at the camp in the next summer. Although we expect electrical work and plumbing at the project to require replacement or at least repair, we also stress that the structures at site were still around and appeared to be in mostly good condition.

Exhibit 12: Structures at the Whistler Camp

Source: H.C. Wainwright & Co. site visit to U.S. GoldMining's Whistler project on April 3, 2023.

Equipment remains present. The Whistler camp already has an extensive list of large-scale and smaller-scale equipment present. This includes a Volvo (VLVLY; not rated) A30G articulated truck, a snow plow and a variety of smaller vehicles, such as snowmobiles. While we do not anticipate most of this equipment to be turnkey at this stage, we nonetheless expect that a bit of "TLC" and minor work (such as replacing the oil and batteries) should get at least some of the equipment back into working condition.

Exhibit 13: Large Volvo Equipment at Whistler



Source: H.C. Wainwright & Co. site visit to U.S. GoldMining's Whistler project on April 3, 2023.

Exhibit 14: Stored ATVs at Whistler



Source: H.C. Wainwright & Co. site visit to U.S. GoldMining's Whistler project on April 3, 2023.

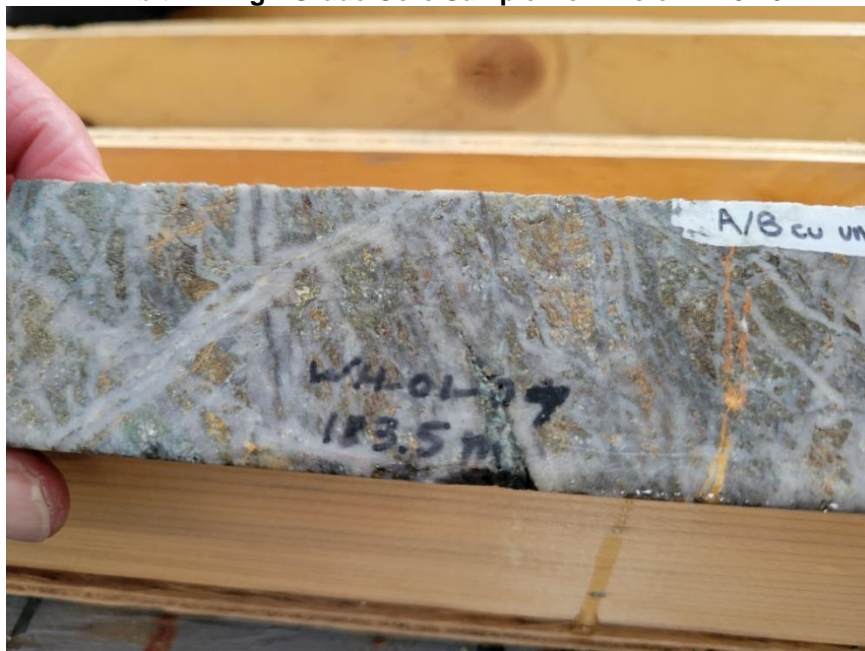
Exhibit 15: Generators at Whistler

Source: H.C. Wainwright & Co. site visit to U.S. GoldMining's Whistler project on April 3, 2023.

Our final stop at site was the core shack. While some work unquestionably needs to be undertaken to organize the core at site, the camp nonetheless has the required infrastructure for future work in place. Importantly, we had a chance to see some of the higher-grade samples previously drilled at the asset. As an example, we highlight a sample from hole WH10-026 below.

Exhibit 16: Core Stored at Whistler

Source: H.C. Wainwright & Co. site visit to U.S. GoldMining's Whistler project on April 3, 2023.

Exhibit 17: High-Grade Core Sample from Hole WH-01-07

Source: H.C. Wainwright & Co. site visit to U.S. GoldMining's Whistler project on April 3, 2023.

In conclusion, we believe that the Whistler site maintains a number of advantages. Not only are the ore bodies accommodating for future exploration, but the site is easy to access (we did not need to spend a single night away from Anchorage) and remains geopolitically safe. Further, we stress that USGO's proximity to Nova should allow the firm to easily restart operations at its camp in the near future when the time is right.

Safety was important. Management spent an extensive amount of time on safety precautions, both before and during our trip. This includes an exact plan of where one should be expected at what time, and fallbacks if check-ins are not received. In addition, we did not see any concerning activities by workers at either the Whistler or Nova camps.

Strong long-term potential for Whistler. We reiterate that Whistler could easily become a medium-scale mine in the longer-term. This is especially prevalent at a time when gold spot pricing continues to hold close to the \$2,000 per ounce mark. Overall, we view the project's geology has highly accommodating for potential low-cost mining operations with multiple deposits offering opportunity across the property.

Demand Drivers and Gold Price Assumptions

Gold continues its strong performance. While we do not currently utilize a gold price deck for our USGO valuation, we nonetheless emphasize the company's leverage to an improving precious metals market. Over the past several months, gold spot pricing has been the beneficiary of a variety of macroeconomic developments, including an expected tapering of rate increases, the emergence of U.S. banking concerns, and ultimately an overall flight to safe-haven assets.

U.S. Dollar Index (DXY) has fallen from the highs. We highlight that while gold often competes with the U.S. Dollar as a safe-haven play, the DXY has fallen significantly from its 52-week high of \$114.78 to roughly \$103.60 as of June 9, 2023. In turn, we believe a renewed focus on gold has emerged as the metal continues to flirt with its all-time high of \$2,075/oz, which was recorded back in August 2020. In short, we highlight Exhibit 18 below, which illustrates gold's price performance relative to the U.S. Dollar Index over an extended period of time.

Exhibit 18: Gold Price Performance Relative to the DXY from 2014 – 2023



Source: tradingview.com.

Overall Company Valuation

We are initiating coverage on USGO with a Buy rating and PT of \$20.00 per share. Our valuation for the firm is mostly based on the Whistler project. We emphasize the present lack of a published economic study for the asset. As a result, we derive our valuation for the site based on a dollar value per GEO delineated to date. We reach this value based on an average of enterprise values per GEO across a basket of comparable gold companies within favorable mining jurisdictions.

In turn, we apply a \$16.35 value to the company's resources while utilizing a 0.9x multiple toward the firm's Inferred resources. This yields a total asset value of \$143.8M, or \$10.17 per share. Further, we add \$120.0M in value for Muddy Creek and other prospects, and \$17.4M in cash, amid no debt, to reach our overall firm NAV of \$281.2M, or \$19.89 per share, which yields a rounded price target of \$20.00 per share. We reiterate that USGO intends to pursue the publication of an economic study for the project. Looking ahead, we expect to value the asset through a DCF valuation once this study is released.

Exhibit 19: Valuation for USGO Based on EV/GEO Peer Average

U.S. GoldMining Inc.										
<i>Note: Figures below in \$000's unless otherwise indicated.</i>										
Value of resources at the Whistler project	\$	143,788	\$	10.17	per share	Valued at	\$	16.35	per GEO	0.9x Multiple utilized for Inferred Ounces
Value for Muddy Creek and other prospects	\$	120,000	\$	8.49	per share					
Plus cash and equivalents	\$	17,413	\$	1.41	per share	pro forma for April 24, 2023 IPO.				
Less debt	\$	-	\$	-	per share					
Total current value	\$	281,201	\$	19.89	per share					
Common shares		12,346	as of 5.31.23		pro forma for April 24, 2023 IPO.					
Options and Warrants		1,790	as of 5.31.23		pro forma for April 24, 2023 IPO.					
Fully diluted shares		14,135	as of 5.31.23		pro forma for April 24, 2023 IPO.					
U.S. GoldMining share price	\$	12.19	as of 6.9.23		39% discount to price target					
U.S. GoldMining Net Asset Value	\$	19.89								
Rounded (\$0.50) price target	\$	20.00								
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)	\$ 0.43	195.31	\$ 83.98	\$ -	\$ 4.80	\$ 79.18	13.60	\$ 5.82		
HighGold (HIGH.V; not rated)	\$ 0.49	91.94	\$ 45.05	\$ -	\$ 5.97	\$ 39.08	1.16	\$ 33.66		
Heliostar (HSTR.V; not rated)	\$ 0.32	147.77	\$ 47.29	\$ -	\$ 5.07	\$ 42.21	3.26	\$ 12.96		
Grande Portage Resources (GPG.V; not rated)	\$ 0.15	113.70	\$ 17.06	\$ -	\$ 0.32	\$ 16.74	1.52	\$ 11.00		
Vista Gold (VGZ; Buy)	\$ 0.54	120.10	\$ 64.85	\$ -	\$ 8.11	\$ 56.74	9.48	\$ 5.98		
First Mining (FF.TO; Buy)	\$ 0.13	807.73	\$ 105.00	\$ -	\$ 13.56	\$ 91.45	10.71	\$ 8.54		
Probe Gold (PRB.TO; not rated)	\$ 1.20	158.90	\$ 190.68	\$ -	\$ 25.37	\$ 165.31	4.74	\$ 34.86		
Ascot Resources (AOT.TO; not rated)	\$ 0.41	555.56	\$ 227.78	\$ -	\$ 154.00	\$ 73.78	3.10	\$ 23.82		
Troilus Gold (TLG.TO; not rated)	\$ 0.40	227.10	\$ 90.84	\$ -	\$ 5.13	\$ 85.71	8.11	\$ 10.57		
Average EV/GEO (rounded)								\$ 16.35		
<i>Source: H.C. Wainwright & Co. estimates.</i>										

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

Source: H.C. Wainwright estimates and various company reports.

Sensitivity Analysis

Highlighting U.S. GoldMining's sensitivity to changes in total resources and our EV/GEO value. We emphasize that U.S. GoldMining's PT unsurprisingly remains highly sensitive to the Whistler project's combined resources at site. We reiterate that the resources for the site currently sit at 9.4M GEOs across the Inferred and Indicated categories. In turn, and as we illustrate in Exhibit 20 below, our PT fluctuates based on an increase in ounces delineated and the assigned EV/GEO value. We ultimately believe this sensitivity analysis remains increasingly relevant as the firm looks to target resource growth in the near-term, which could have a meaningful impact on the company's overall value even if the EV/GEO peer average were to stay level. We also see a meaningful variation in our assigned value when assuming both positive and negative EV/GEO fluctuations.

Present valuation provides good visibility of market multiples. For now, we believe our basket of comparable companies provides a fair price point for USGO's *in situ* resources given the limited work done over the past decade. Longer-term, we emphasize that the North American average for gold projects in the development stage remains closer to the \$40 per gold ounce range upon reaching an economic assessment level. In turn, we believe USGO maintains strong re-rating potential as the company works toward the publication of a PEA.

Exhibit 20: PT Sensitivity Relative to Deposit Growth and EV/GEO Value

	EV/Gold Equivalent Ounce Value									
	\$ -	\$10.25	\$12.25	\$14.25	\$16.25	\$18.25	\$20.25	\$22.25	\$24.25	\$26.25
Indicated and Inferred Resources (Moz)	9,439	\$ 14.50	\$ 16.00	\$ 17.00	\$ 18.50	\$ 20.00	\$ 21.00	\$ 22.50	\$ 24.00	\$ 25.00
	10,400	\$ 15.00	\$ 16.50	\$ 18.00	\$ 19.50	\$ 21.00	\$ 22.50	\$ 24.00	\$ 25.50	\$ 27.00
	11,400	\$ 16.00	\$ 17.50	\$ 19.00	\$ 21.00	\$ 22.50	\$ 24.00	\$ 25.50	\$ 27.50	\$ 29.00
	12,400	\$ 16.50	\$ 18.50	\$ 20.00	\$ 22.00	\$ 23.50	\$ 25.50	\$ 27.00	\$ 29.00	\$ 30.50
	13,400	\$ 17.50	\$ 19.50	\$ 21.00	\$ 23.00	\$ 25.00	\$ 27.00	\$ 29.00	\$ 30.50	\$ 32.50
	14,400	\$ 18.00	\$ 20.00	\$ 22.00	\$ 24.50	\$ 26.50	\$ 28.50	\$ 30.50	\$ 32.50	\$ 34.50
	15,500	\$ 19.00	\$ 21.00	\$ 23.00	\$ 25.50	\$ 27.50	\$ 30.00	\$ 32.00	\$ 34.00	\$ 36.50

Source: H.C. Wainwright estimates and various company reports.

Risk Factors

Liquidity risk. We emphasize the inherent liquidity risk associated with USGO's operations at Whistler given the capital intensive nature of exploration and development work at site. In order to manage its liquidity risk, the firm continues to monitor its cash and liquid assets position. Notably, the balance sheet includes funds provided by GoldMining pursuant to the Capital Funding Agreement in order to ensure adequate sources of capital to finance its projects. Importantly, USGO maintained a working capital deficit of \$1.9M as of February 28, 2023, although this figure does not consider proceeds from the firm's IPO.

Currency risk. USGO reports its financial statements in U.S. dollars and is also significantly exposed to foreign exchange risk when undertaking transactions. Additionally, the company holds assets and liabilities in currencies other than its functional currency, while financial instruments exist that can impact USGO's net loss due to currency fluctuations. These items include cash, accounts payable, accrued liabilities, and amounts due to the firm's parent company, which are denominated in Canadian dollars.

Credit risk. Credit risk is related to an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. In turn, the company's credit risk is primarily associated with USGO's bank balances. Notably, the firm maintains its holdings with large, reputable financial institutions in order to mitigate credit risk associated with its bank balances,.

Technical risk. Overall, the nature of mineral exploration and mine development maintains a high degree of technical risk. In turn, we emphasize that there is no guarantee USGO can convert its current mineral resources into mineable reserves. Additionally, there is no guarantee that the extraction of metals can be done economically should the firm prove successful in delineating mineable reserves. Looking ahead, these risks are increasingly relevant for USGO as there is no current economic study for the Whistler project. Going forward, we expect the company to pursue the publication of a PEA in the near-term.

Commodity price risk. The Whistler project's economic opportunity remains highly contingent on favorable commodity prices, including those related to gold, copper, and silver. In turn, these factors remain entirely out of the company's control. As a result, any potential operations at the Whistler project remain susceptible to fluctuations in precious and base metal prices, although firms have been known to mitigate these risks through hedging programs. At present, USGO has not entered into any form of metal hedging, as the Whistler project remains early-stage in nature.

Appendix A: Management Team & Board of Directors

Tim Smith, Chief Executive Officer. Professional Geoscientist with over 25 years of experience in mineral exploration and mining. A track record of discovery and mine development of major gold systems in Australia and Canada with junior, mid-tier and major mining companies including Goldcorp and Newmont. Previously VP Exploration with Kaminak Gold Corp. (private), where he led the field team to the discovery of the Coffee Gold Deposit in Yukon, Canada.

Alastair Still, Chairman. CEO of GoldMining Inc. and Director of Technical Services at Gold Royalty Corp (GROY; Buy). Former Newmont Director of Corporate Development. Geologist with over 25 years of experience in corporate and project development, exploration and mine operations with Goldcorp, Placer Dome and Kinross.

Tyler Wong, Interim Chief Financial Officer. Mr. Wong is a Chartered Professional Accountant (CPA, CA) and brings over 15 years of financial and accounting experience to USGO. He has extensive knowledge in financial reporting, SOX and internal controls, as well as experience with equity offerings in Canada and the United States.

Board of Directors

Garnet Dawson. Mr. Dawson is a Professional Geologist with over 30 years in exploration and mining with senior and junior mining companies in the Americas, Europe and Asia. Mr. Dawson is also the previous CEO and current Board Member of GoldMining.

Aleksandra Bukacheva, CFA. Ms. Bukacheva is a capital markets and finance professional focused on the metals and mining industry. Former top-ranked equity research analyst for BMO Capital Markets (BMO; not rated). Also served in executive and director roles for several private and public resource companies.

Laura Schmidt. Ms. Schmidt has over 30 years of experience in the resource industry. Ms. Schmidt has held numerous senior positions with Shell (SHEL; not rated), including V.P. Alaska. Ms. Schmidt also retains her primary residence in Alaska.

Dr. Ross Sherlock. Dr. Sherlock is a professional geologist with more than 30 years of experience, including senior positions with Kinross (KGC; not rated) and Gold Fields (GFI; not rated). Dr. Sherlock is currently the Professor and Director of the Mineral Exploration Research Centre at Laurentian University in Sudbury, Ontario.

Lisa Wade. Ms. Wade is an environmental engineer with over 25 years of experience in the mining industry, including a position as the former Vice President of Environmental, Reclamation and Closure for Goldcorp. Ms. Wade is an entrepreneurial businessperson who also serves on the Montana Tech Alumni Industrial Advisory Board.

Appendix B: Mining Designations and Definitions

Acronym Description			
Ag	Silver	NI	National Instrument
Au	Gold	NN	Nearest Neighbor
cfm	Cubic foot per minute	NSR	Net smelter return
cm	Centimeters	OK	Ordinary Kriging
COG	Cut-off grade	oz	Troy ounce
Cu	Copper	oz/t	Troy ounce per tonne
g	Grams	ppm	Parts per million
g/t	Grams per tonne	Pb	Lead
ha	Hectares	QAQC	Quality assurance/Quality control
kg	Kilograms	RMR	Rock Mass Rating
km	Kilometers	RQD	Rock Quality Designation
kg/t	Kilogram per tonne	t	Metric tonne
lbs	Pounds	t/m3	Metric tonnes per cubic meter
m	Meters	tpd	Metric tonnes per day
Ma	Millions of years	yr	Year
masl	Meters above sea level	Zn	Zinc
Moz	Million troy ounces	\$US/t	United States dollars per tonne
Mn	Manganese	\$US/g	US dollars per gram
Mt	Million metric tonnes	\$US/%	US dollars per percent

Appendix C: Cautionary Note to U.S. Investors**Estimates of Measured, Indicated, and Inferred Resources**

“Measured Mineral Resources” and “Indicated Mineral Resources.” U.S. investors are advised that while those terms are recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission (SEC) does not recognize them, and describes the equivalent as “Mineralized Material.” U.S. investors are cautioned not to assume any part or all of the mineral deposits in these categories are to be converted into mineral reserves.

“Inferred Mineral Resources.” U.S. investors are advised that while this term is recognized and required by Canadian regulations, the SEC does not recognize it. “Inferred Mineral Resources” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred mineral resource may ever be upgraded to a higher category. In accordance with Canadian rules, estimates of Inferred mineral resources cannot form the basis of feasibility or other economic studies. U.S. investors are cautioned not to assume that part or all of the Inferred mineral resource exists, or that it is economically or legally mineable.

U.S. GoldMining Inc.

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

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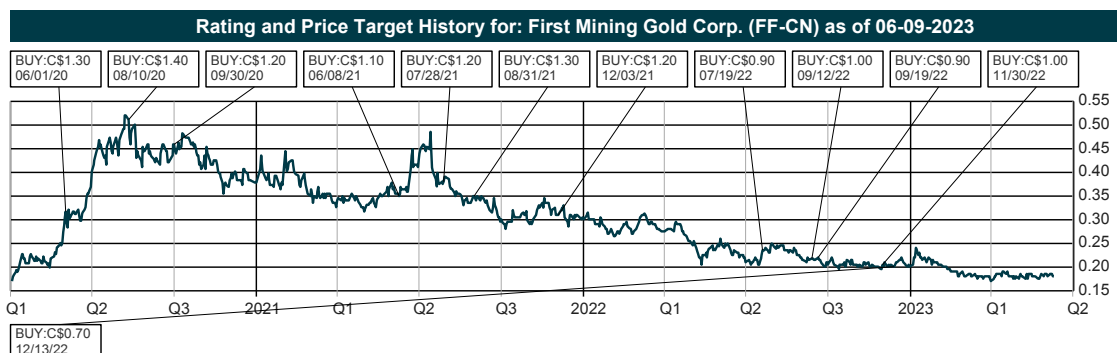
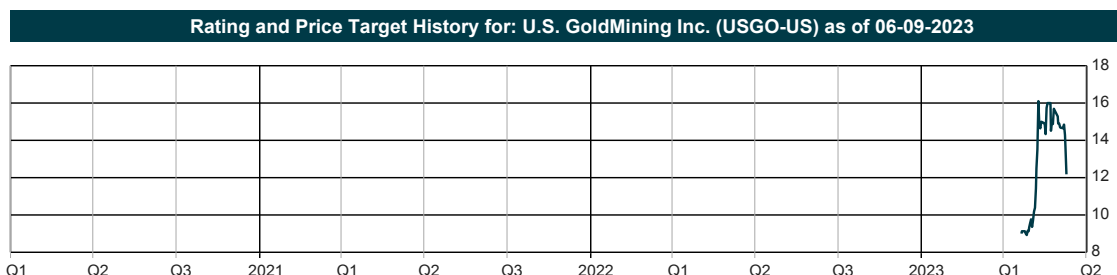
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RETURN ASSESSMENT

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.

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Related Companies Mentioned in this Report as of Jun/09/2023

Company	Ticker	H.C. Wainwright Rating	12 Month Price Target	Price	Market Cap
GoldMining, Inc.	GLDG	Buy	\$5.00	\$0.99	\$167
Gold Royalty Corp.	GROY	Buy	\$8.75	\$1.99	\$288
Vista Gold Corp.	VGZ	Buy	\$2.25	\$0.54	\$65
First Mining Gold Corp.	FF.TO	Buy	C\$0.70	C\$0.18	C\$145

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Distribution of Ratings Table as of June 9, 2023

Ratings	Count	Percent	IB Service/Past 12 Months	
			Count	Percent
Buy	562	88.09%	135	24.02%
Neutral	62	9.72%	15	24.19%
Sell	1	0.16%	0	0.00%
Under Review	13	2.04%	2	15.38%

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