

Mawson Gold Ltd. (TSX:MAW)

First Hole at Sunday Creek Hits the Mark

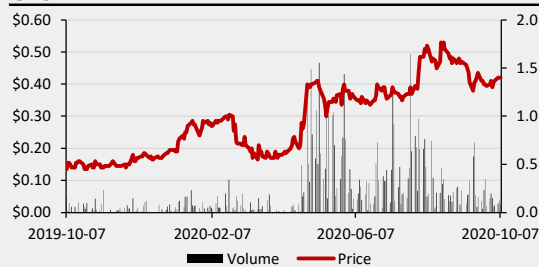
Exploration Update

October 8, 2020

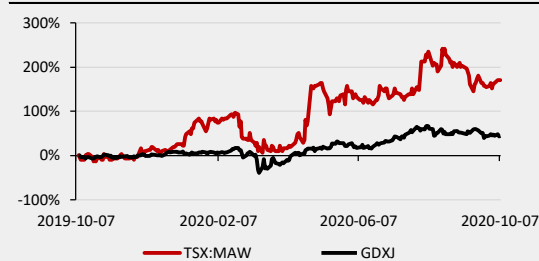
(Currency is CAD\$ unless noted otherwise)

Closing Price (\$/sh)	\$0.42	
Rating	BUY	
Target (\$/sh)	\$0.90	
Return to Target	114%	
52 Week Low / High	\$0.13 / \$0.57	
CAPITALIZATION	Basic	Diluted
Shares Outstanding (M)	253.8	320.7
Market Capitalization (\$MM)	\$106.6	
Enterprise Value (\$MM)	\$87.7	
Last Reported Quarter Cash (\$MM)	\$18.9	
Total Debt (\$MM)	\$0.0	

STOCK CHART



RELATIVE PERFORMANCE



RELATIVE VALUATION

	US\$EV/oz AuEq
Peer Group Average*	\$71
Mawson Gold Limited	\$94

*Capital IQ Consensus

MAJOR SHAREHOLDERS

Management (3.9%), Sentient Group Limited (19.7%), Newmont Corp. (9.4%), 888 Capital Corp. (0.6%)

DISCLOSURE CODE: 1,2,3,4,5

(Please refer to the disclosures listed on the back page)

Source: RCS, Company Information, Capital IQ

Company Description

Mawson Gold Limited is an exploration and development company. Mawson has distinguished itself as a leading Nordic Arctic exploration company with a focus on the flagship Rompas-Rajapalot gold cobalt project in Finland. The company also recently acquired several assets in the Victorian Goldfields region in Australia.

Impact: Mildly Positive

Mawson Gold reported assay results from the first drill hole at its 100% owned, Sunday Creek project in Australia. Drilling is part of an ongoing 5km program in the Victorian Goldfields and is located 56km from Melbourne. **We believe these good results are in line with historic work and we expect future drilling to support the C\$50M value (C\$0.18/sh) we ascribe to Mawson's Australian assets.**

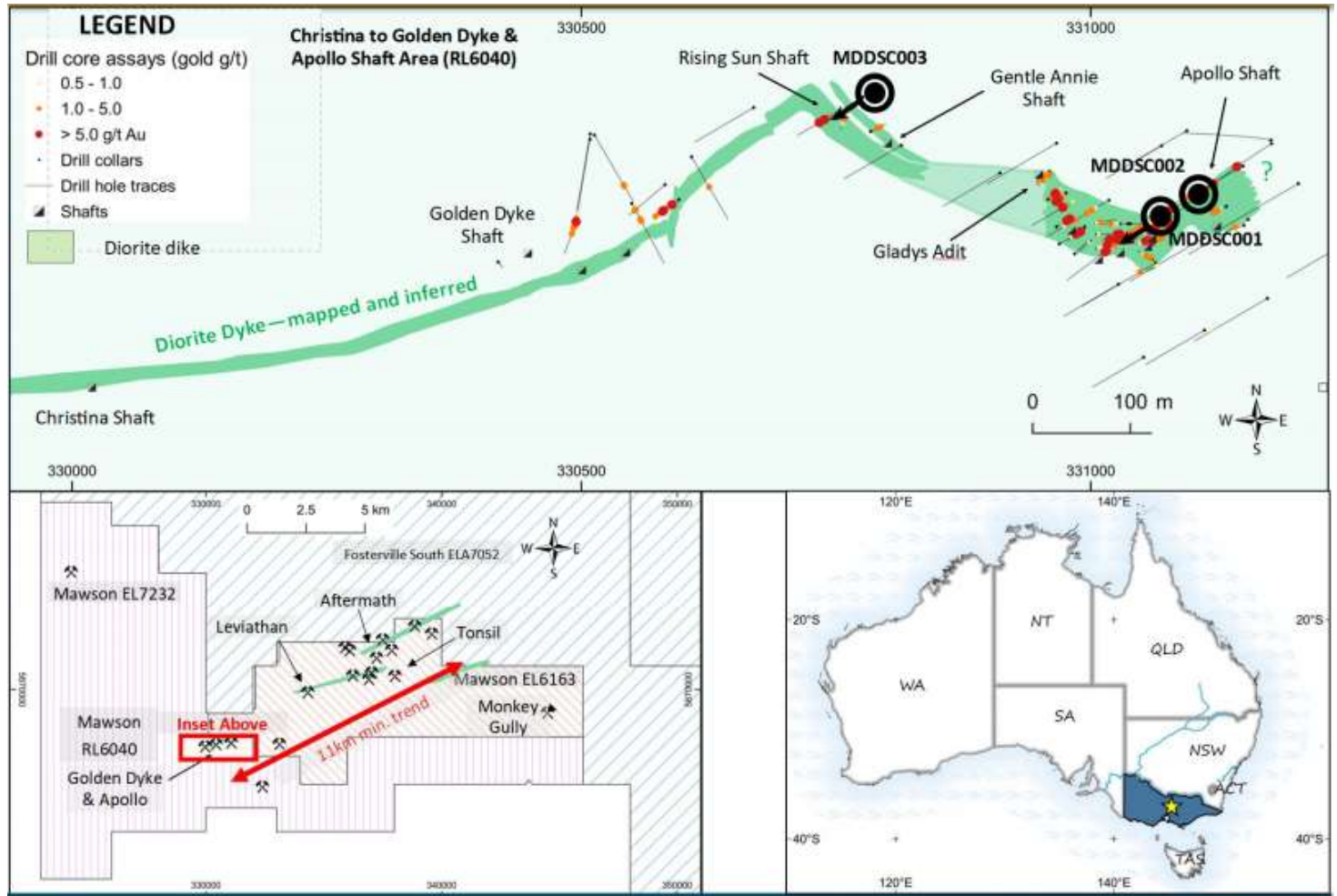
Highlights:

- **Initial hole confirms mineralization at Sunday Creek.** Three initial drill holes totaling 345m have been completed, targeting high-grade veining associated with mineralized halos, typical of epizonal-style Au mineralization. Results from diamond drill hole MDDSC001 (Figure 1) indicate **3.7 g/t Au over 15.2m including 0.6m of 17.9 g/t Au over 10.4m**. This is the first diamond drilling to be conducted at this mineralized horizon, confirming the tenor of Au mineralization found by historic reverse-circulation (RC) drilling.
- **Early success bodes well for the ongoing testing of this 11km trend.** Historic mining has occurred at Sunday Creek since the late 1900's over a greater than 11km trend. Drilling in more recent years, during the 1990's, covered an area of 100m width, 800m length, but only 80m depth. This early success, coupled with historic mining and recent surface work, suggests to us that Sunday Creek has potential, both at depth and along strike. We are looking forward to the results from the two holes where assays are pending and the follow-up drill program.
- **Second drill added, results from two completed holes to come.** Based on this early success, the company is adding a second drill rig to its Victorian Goldfields drill program (initial 5,000m planned). Additionally, the company planned follow-up geophysics to better refine its targeting at Sunday Creek. Besides, two rigs turning in Victoria, we expect news flow to pick up from Mawson as it has just started drilling in Finland as well.

Valuation:

We are maintaining our BUY rating and target to C\$0.90/sh for Mawson. Our target is based on a sum of the parts valuation using our probability weighted methodology ([see previous note](#)) for the companies assets in Finland and an in-situ value for its Victorian Goldfield projects. We believe that as news flow ramps up in the near-term it should re-rate higher towards our target price and its Australian peers. **Upcoming Catalysts:** 1) Exploration results from its Australian assets; Redcastle and Sunday Creek projects (Q4/20) and 2) Exploration results from Rajapalot in Finland (Q4/20).

Figure 1: Mawson Diamond Drill Hole Location



Source: Company Reports

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Company Name	Ticker Symbol	Disclosures
Mawson Gold Ltd.	TSX:MAW	1,2,3,4,5

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