

## Revival Gold Inc. (RVG-V)

### More Oxide Gold At Arnett Creek

September 26, 2019

Michael Curran, CFA

(416) 507-3950

[mcurran@beaconsecurities.ca](mailto:mcurran@beaconsecurities.ca)

Revival controls the past-producing **Beartrack** gold mine, and the adjacent **Arnett Creek** property, both located in **Idaho** (fig1). In May 2018, the company reported an initial pit-constrained resource estimate for Beartrack which included 1.2MMoz of indicated (33.4MMt grading 1.13g/t gold) and 0.8MMoz of inferred (16.9MMt grading 1.41g/t), thus total gold resources currently stand at ~2MMoz.

**Arnett Creek Update:** this morning, Revival reported assay results from 9 of 25 diamond drill holes completed this summer on the **Haidee** and **Haidee West** target areas (fig2). Better intercepts included:

- **20 metres grading 1.95g/t gold**
- **30 metres grading 0.64g/t**
- **several 15-20 metre intercepts grading 0.44g/t**
- **24.4 metres grading 0.98g/t (Haidee West)**
- **13.1 metres grading 1.58g/t (Haidee West)**

**Our View:** we consider these results as positive for the development of additional open pittable and heap-leachable gold resources on the property (except at Haidee West, where gold looks to be related to unoxidized pyrite).

**Next Catalysts:** assay results from remaining 6 drill holes on Arnett Creek, metallurgical testwork results later this year, and an updated resource estimate (Beartrack + Arnett) in Q1/20.

Update				
Spec. BUY (unch.) \$2.00 (unch.)				
Recent/Closing Price				\$0.62
12-month Target Price				\$2.00
Potential Return				223%
Dividend Yield				0.0%
52 Week Price Range			Low	High
			\$0.44	\$0.87
Annual Estimates				
(C\$MM, except per unit)	FY18	FY19e	FY20e	FY21e
Revenue	\$0.0	\$0.0	\$0.0	\$0.0
Net Income	-\$5.0	-\$7.6	-\$7.5	-\$8.0
Shares O/S (wgt avg)	36	46	56	59
EPS (operating)	-\$0.12	-\$0.15	-\$0.12	-\$0.12
CFPS	-\$0.12	-\$0.15	-\$0.12	-\$0.12
Valuation				
P/E	neg.	neg.	neg.	neg.
P/CF	neg.	neg.	neg.	neg.
NAV				
P/NAV				
Financials				
Shares Outstanding		52.5	million	
Mgt/Insiders		13%	(C\$MM)	
Market Cap		\$32.6		
LT Debt (corporate)		\$0.0		
Working Capital		\$5.0		
Enterprise Value		\$27.6		
Fiscal Year End		June 30		
Reserves / Resources				
2P Reserves		-		
M+I Resources		1.2	MMoz	
Total Resources (M+I)		2.0	MMoz	
Quarterly Estimates				
	Q1/18	Q2/18	Q3/18	Q4/18
EPS (operating)	-\$0.02	-\$0.04	-\$0.02	-\$0.04
CFPS	-\$0.02	-\$0.04	-\$0.02	-\$0.04
	Q1/19	Q2/19	Q3/19	Q4/19e
EPS (operating)	-\$0.06	-\$0.04	-\$0.02	-\$0.03
CFPS	-\$0.06	-\$0.04	-\$0.02	-\$0.03
Company at a Glance				

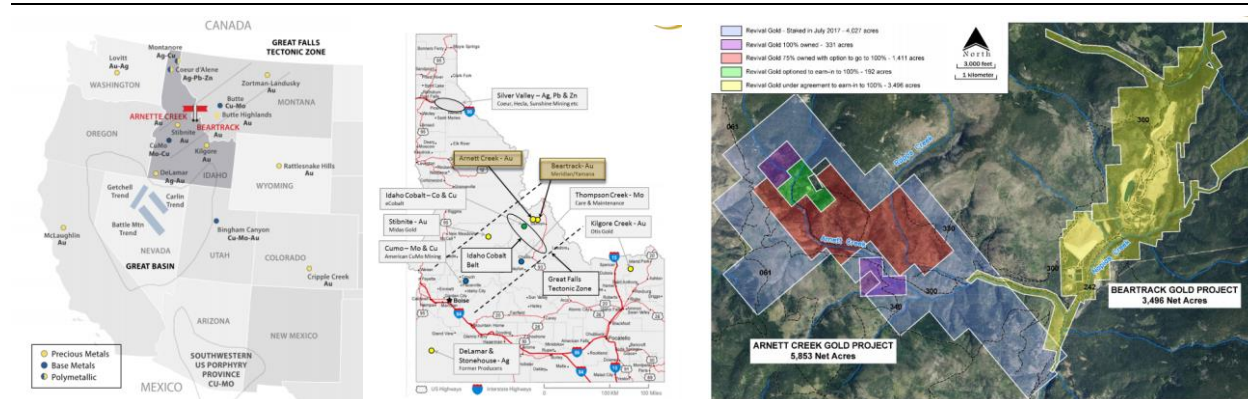
Revival Gold is a growth-focused gold exploration and development company. The main assets are the past-producing Beartrack Mine, and neighbouring Arnett Creek property, both in Idaho. **All figures in C\$ unless otherwise indicated.**



## Investment Thesis...Attractive Exploration Play

We view Revival Gold as an attractive speculative play for exploration success for gold mineralization in Idaho. The company has an option to acquire the past-producing **Beartrack** gold mine in east central Idaho, and holds a 100% interest in the adjacent **Arnett Creek** property. The Beartrack mine produced ~600Koz of gold via an open pit, heap leach operation in the 1990s. The site has been fully reclaimed by Meridian/Yamana, but has good infrastructure that we believe could facilitate a mine re-start with exploration success.

**Fig 1 Location Maps: Beartrack and Arnett Creek Properties**



Source: Company reports

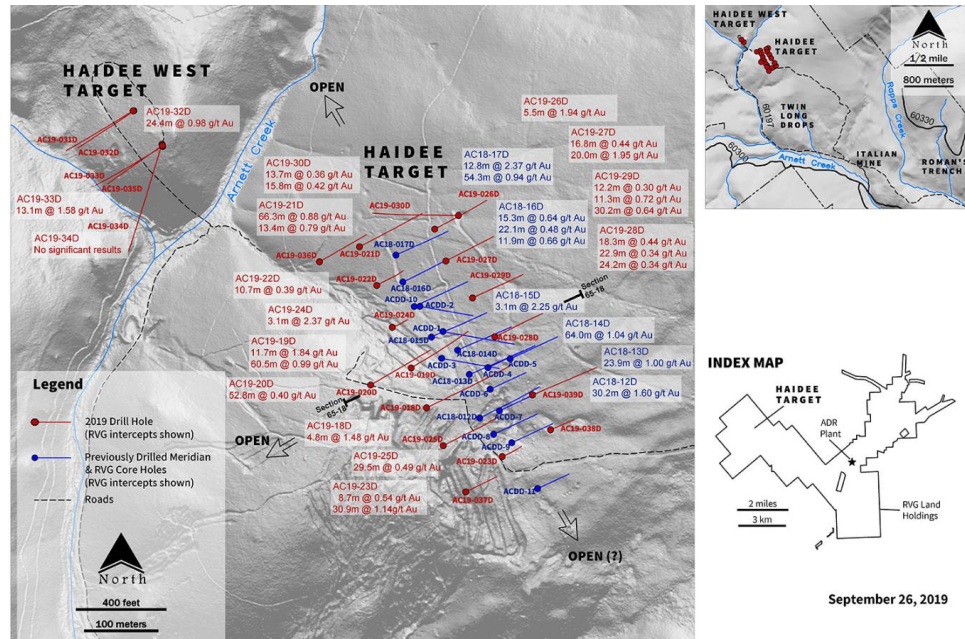
## Valuation Methodology

Our preferred valuation for mining equities employs cash flow-based metrics such as P/CF and P/NAV, using life-of-mine production forecasts and our commodity price assumptions. However, for earlier-staged explorers without reported resources that could be DCF modeled with any accuracy, we employ the more basic valuation metric of **Adjusted Market Capitalization per total resource ounce (AMC/oz)**.

For Revival, we believe the exploration strategy can deliver new discovery and/or expansions of existing resources. As an initial target, we believe the current 1.98MMoz resource at Beartrack can grow above 2.5MMoz. Longer-term, we see potential to achieve even higher gold resources and ultimately achieve mine development.

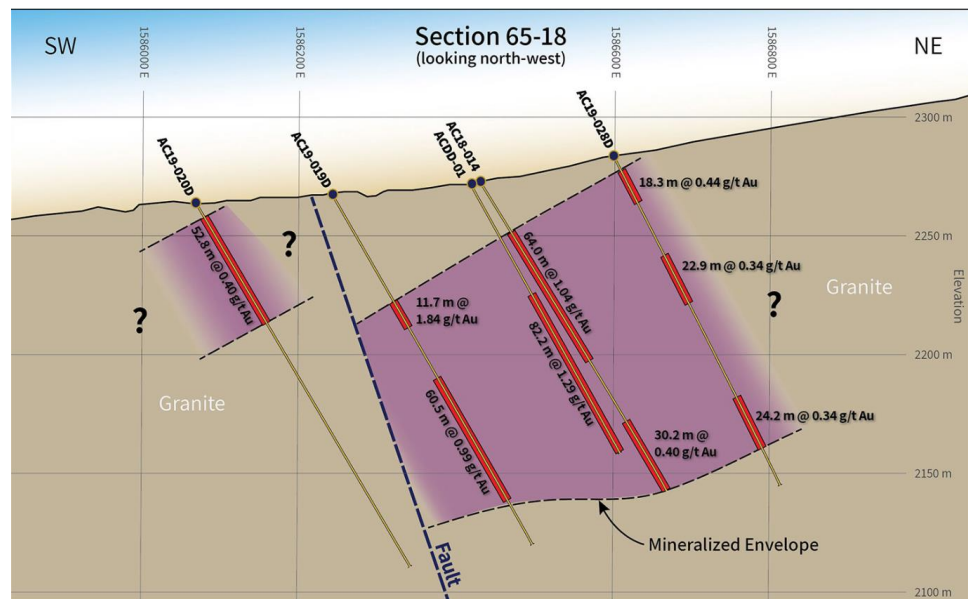
In terms of a target AMC/oz multiple, we believe Revival can command similar multiples to a peer group of non-producing explorers with similar grade assets. To be conservative, we employ a discounted target multiple of US\$30/oz, which represents a significant discount to the current peer group average of US\$51/oz (for the fact that our targeted resource for Beartrack has yet to be achieved). Using our targeted resource and AMC/oz multiple generates our target of \$2.00 per RVG share.

**Fig 2 Haidee Targets: Arnett Creek Property**



Source: Company reports

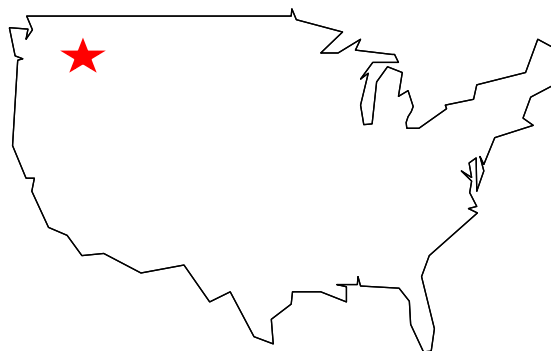
**Fig 3 Cross-Section: Haidee Prospect**



Source: Company reports

## Appendix: Summary Financials

Revival Gold Inc.				Beacon Securities Limited						
		Symbol	RVG-V	Share Price	\$0.62					
		Stock Rating	Speculative Buy	Shares O/S (MM)	52.5	Float (MM)	37.7			
		Price Target	\$2.00	Mkt Cap (\$MM)	33					
				Michael Curran, CFA (416) 507-3950						
INCOME STATEMENT				Management		Other Directors				
		FY18	FY19e	FY20e	<b>Hugh Agro</b>	President/CEO	Diane Garrett - Chair			
Revenues	C\$MM	-	-	-	<b>Steve Priesmeyer</b>	VP-Exploration	Michael Mansfield			
Operating Costs	C\$MM	-	-	-	<b>Adam Rochacewich</b>	VP & CFO	Wayne Hubert			
EBITDA	C\$MM	(5.1)	(7.7)	(7.5)	<b>Peter Blakeley</b>	General Manager	Donald Birak			
DD&A	C\$MM	-	-	-			Carmelo Marrelli			
EBIT	C\$MM	(5.1)	(7.7)	(7.5)						
Interest Expense	C\$MM	(0.1)	(0.1)	-	Options	Avg. Price	Warrants			
EBT	C\$MM	(4.2)	(6.8)	(6.5)	3.8	\$0.65	13.5			
Taxes/Recovery	C\$MM	-	-	-			\$0.82			
Net Income (reported)	C\$MM	(5.0)	(7.6)	(7.5)	Recent Financings					
Non-Recurring Items/Other	C\$MM	(0.1)	-	-	Date	Amount	Price	Type	Warrant	Expiry
Net Income (operating)	C\$MM	(4.1)	(6.8)	(6.5)	APR-2019	\$5.0	\$0.72	priv. placement	\$0.90	APR-2022
Shares o/s (wgt avg.)	MM	36.0	46.0	56.0	OCT-2017	\$9.0	\$0.60	priv. placement	\$0.90	OCT-2019
<b>EPS (operating)</b>	<b>\$/sh</b>	<b>(\$0.12)</b>	<b>(\$0.15)</b>	<b>(\$0.12)</b>						
P/E Multiple	x	n.m.	n.m.	n.m.						
Cash Flow (operating)	C\$MM	(4.1)	(6.8)	(6.5)						
<b>CFPS</b>	<b>\$/sh</b>	<b>(\$0.12)</b>	<b>(\$0.15)</b>	<b>(\$0.12)</b>						
P/CF Multiple	x	n.m.	n.m.	n.m.						
BALANCE SHEET										
Cash & Equivalents	C\$MM	5.7	5.0	3.0						
Total Current Assets	C\$MM	5.9	5.3	3.2						
PP&E & Mining Interests	C\$MM	3.9	5.0	5.5						
Other	C\$MM	-	-	-						
<b>Total Assets</b>	<b>C\$MM</b>	<b>9.8</b>	<b>10.3</b>	<b>8.7</b>						
Current Liabilities	C\$MM	0.6	0.6	0.6						
Long Term Debt	C\$MM	-	-	-						
Other LT Liabilities	C\$MM	-	-	-						
Total Liabilities	C\$MM	0.6	0.6	0.6						
S/Holder Equity	C\$MM	9.2	9.6	8.1						
<b>Total Liab. &amp; S/Holder Equity</b>	<b>C\$MM</b>	<b>9.8</b>	<b>10.2</b>	<b>8.7</b>						
Working Capital	C\$MM	5.3	4.6	2.6						



Source: Company reports, Beacon estimates

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As at August 31, 2019	# Stocks	Distribution
Buy	62	67%
Speculative BUY	10	11%
Hold	9	10%
Sell	0	0%
Under Review	10	11%
Tender	1	1%
<b>Total</b>	<b>92</b>	<b>100%</b>

Buy Total 12-month return expected to be >15%

Speculative Buy Potential total 12-month return is high (>15%) but given elevated risk, investment could result in a material loss

Hold Total 12-month return expected to be between 0% and 15%

Sell Total 12-month return expected to be negative

Under Review No current rating/target

Tender Clients are advised to tender their shares to takeover bid or similar offer

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