

# Sitka Gold Corp (CSE:SIG) (FSE:1RF)

## A Junior Explorer with Potential Upside from 4 Ready to Drill Properties

### Company Description

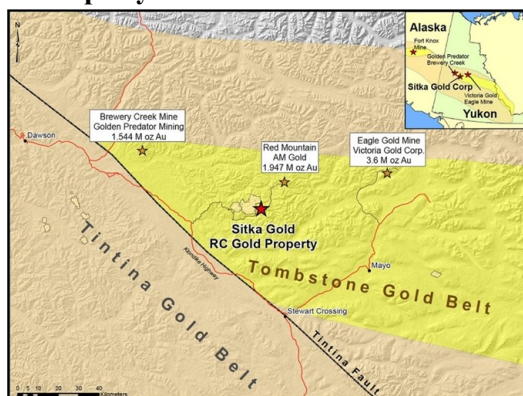
Sitka Gold is a junior gold and copper explorer focused on four properties - two in the U.S., Alpha Gold in Nevada and Burro Creek Gold in Arizona; and two in Canada, RC Gold in Yukon and the Coppermine River project in Nunavut. SIG is currently focused on expanding the existing historical mineral resource at Burro Creek and drill testing its Carlin-type gold target at Alpha Gold in Nevada, the world's second most prolific gold producing region with 84M oz/Au produced from the Carlin Trend.

### Investment Highlights

**Recent acquisition of Yukon gold property could become fruitful.** On July 30, 2019, Sitka announced it acquired the early-stage RC Gold Property, which covers 2,600 Ha and located within the Tombstone Gold Belt in the Yukon. As shown in Figure 1, the property is surrounded by several Intrusion Related gold deposits and proximal to three major development projects, including Victoria Gold's Eagle gold mine (first gold pour expected in September 2019), Golden Predator's Brewery Creek mine, and AM Gold's Red Mountain project. For reference, a breakdown of each of these three assets is shown in Figure 1 on Page 1. The RC Gold Property is also adjacent to several junior gold explorers, as shown on the claim map in (Figure 3, Page 3). Terms for the deal are also summarized on Page 2.

**Potential targets at the RC Gold Property appear compelling.** Although no drilling has been completed to-date on the property, previous exploration work from last year identified six gold-in-soil anomalies, highlighted by values up to 0.998 g/t Au (consistent with grades in neighboring properties). As shown on Figure 4 on Page 3, six gold anomalies (denoted by red ovals) have been identified through geochemical soil sampling, mapping, and geophysics. Management believes two clusters may be contiguous and cover a combined area that is up to 2km long and 500m wide.

**Figure 1: Location of the RC Gold Property within the Tombstone Gold Belt**



Source: Company Reports

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### Historical Share Price Performance



### Market Data (CSE:SIG) (FSE:1RF)

Price (September 12, 2019)	\$0.12
52 Week Range	\$0.04-\$0.18
Market Cap (M)	\$2.3
Shares Outstanding, Basic & Diluted (M)	23.6
Free Float	72.1%
Average Daily Volume (3 months)	10K
Last Reported Debt (M)*	\$0.0
Total Assets (M)*	\$1.4

### Headquarters

Vancouver, BC

### Website

www.sitkagoldcorp.com

### Insider Ownership

36%

### Management

Corwin Coe	CEO & Executive Director
Donald F Penner	President & Executive Director
Stephen W Pierce	Chairman
Scott Price	Vice President of Exploration

\*As of June 30, 2019

All figures in CAD unless otherwise stated.

Source: Company Reports, Capital IQ

SITKA GOLD CORP

**Investment Highlights Continued**

**SIG has a 100% interest in the Alpha Gold Property, a Carlin-type gold target located ~135km southwest of Elko, Nevada.** Geological mapping has identified stratigraphic and structural settings similar to known Carlin-type deposits. In May, SIG received drill permits for the property. Drill targets have been identified which will be further developed through geophysics and structural mapping. SIG plans to drill 12 holes at Alpha to test these targets.

**In September 2018, SIG acquired the Burro Creek gold and silver property located in Arizona, ~265km SE of Las Vegas.** In October 2018, SIG filed a technical report that recommends a \$1.3M two-phase exploration program for expanding the resource estimate. Phase 1 (\$0.2M) is expected to consist of geophysical surveys, trenching and geochemical surveys for identifying drilling targets (whilst providing time to update historical resource to current standards) and Phase 2 (\$1.1M) is planned to embark on 4,000m drilling in 50 holes. SIG has recently expanded the total area of the project to 750 acres by staking and additional 27 lode claims (adding to the existing 8 lode claims and 4 patented mineral claims) where the majority of future exploration will take place. Of note, the Arizona property hosts a historical mineral resource estimate (2011) of 5M oz silver and 100K oz gold based on a 33-hole 2,565m drilling survey conducted in 2008 that was highlighted by 2.72 g/t Au over 21m. SIG believes the historical resource could be significantly expanded since only about 5% of the projected vein system has been drilled.

**Financial Analysis**

**Cashed up for the near-term.** SIG recently completed the first tranche of its current financing, which is a private placement financing for \$1.6M to fund exploration drill programs in Arizona and Nevada. Each unit comprises one common share at \$0.11/share and one half of a 2-year warrant with a strike of \$0.16/share. Gross proceeds of the financing are expected to be used towards drill advancement at Burro Creek and Alpha Gold and for general working capital purposes.

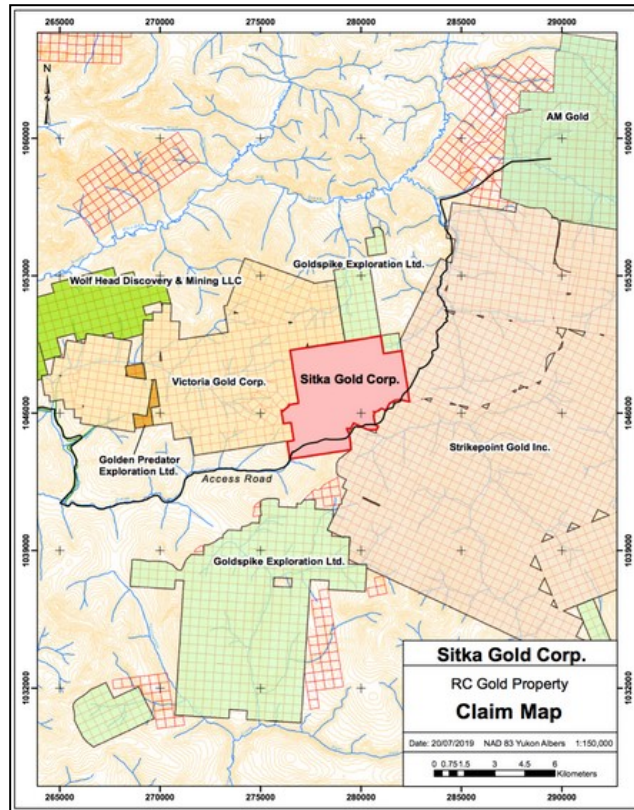
**Terms for the acquisition were the issuance of 500,000 Sitka shares, \$100K in cash and a work commitment of \$630K over 5.5 years.** The Company anticipates paying a bonus of \$250K in cash and/or shares at its option if a resource calculation of at least 1.0M oz Au is declared in any category on the RC property. The RC Claims are subject to a 2% NSR – half of which can be purchased for \$2.0M.

**Figure 2: Sitka Comps Table**

Yukon Comparable Universe									
Company Name	Last Price	Mrkt Cap (\$CAD)	EV (\$CAD)	Cash (\$CAD)	Debt (\$CAD)	P/NAV (Cons)	Resource Size (M oz)	Grade (g/t Au)	EV/oz Au
Sitka Gold Corp.	\$0.12	\$2.7	\$2.5	\$0.2	\$0.0	n/m	n/m	n/m	n/m
Rockhaven Resources Ltd.	\$0.17	\$26.8	\$26.6	\$0.2	\$0.0	n/m	0.7	4.8	\$39
Strategic Metals Ltd.	\$0.49	\$46.8	\$31.8	\$15.2	\$0.1	n/m	n/a	n/a	n/a
ATAC Resources Ltd.	\$0.24	\$37.1	\$23.4	\$13.7	\$0.0	n/m	2.4	3.4	\$10
Triumph Gold Corp.	\$0.48	\$46.1	\$43.6	\$2.6	\$0.1	n/m	2.1	0.5	\$21
Golden Predator Mining Corp.	\$0.37	\$58.0	\$58.2	\$0.2	\$0.3	n/m	1.5	1.2	\$38
Capstone Mining Corp.	\$0.55	\$219.8	\$417.6	\$68.6	\$266.5	0.40x	n/m	n/m	n/m
Victoria Gold Corp.	\$0.62	\$532.2	\$708.5	\$68.3	\$244.6	0.84x	4.4	0.6	\$159
<b>Average</b>						<b>0.62x</b>	<b>2.2</b>	<b>2.1</b>	<b>\$53</b>

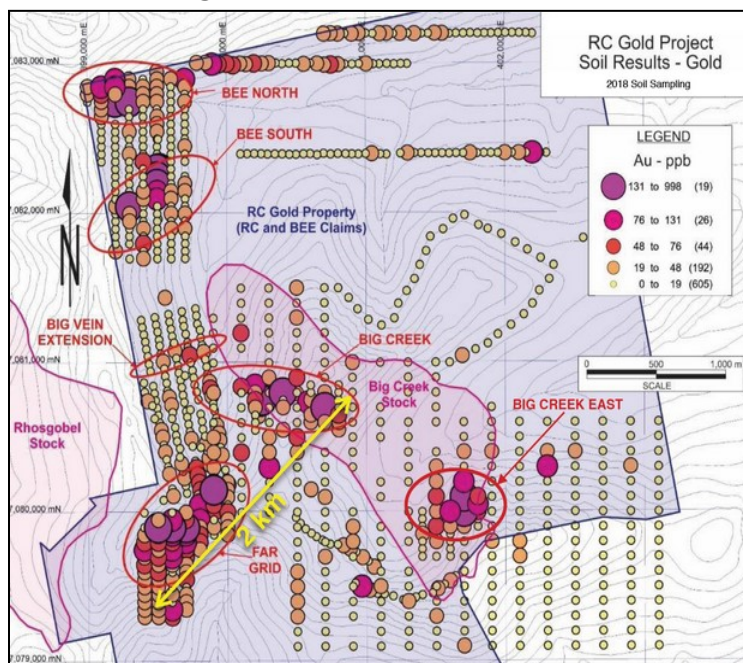
Source: Ubika, Capital IQ

Figure 3: Claim Map of the RC Gold Property



Source: Company Reports

Figure 4: Gold in Soil Anomalies



Source: Company Reports

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