

## Pacton Gold Inc. (TSXV:PAC) More Nuggets from the Egina

## Exploration Update

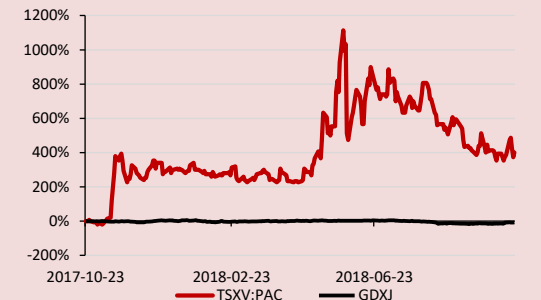
(Currency is CAD\$ unless noted otherwise)

Closing Price	\$0.38	
Consensus NAVPS	NA	
52 Week Low / High	\$0.06 / \$1.02	
Consensus P/NAV	NA	
<b>CAPITALIZATION</b>	Basic	Diluted
Shares Outstanding (M)	95.2	131.1
Market Capitalization (\$MM)	\$35.7	
Enterprise Value (\$MM)	\$31.5	
Last Reported Quarter Cash (\$MM)	\$4.2	
Total Debt (\$MM)	\$0.0	

### STOCK CHART



### RELATIVE PERFORMANCE



RELATIVE VALUATION	US\$EV/ha	P/NAV
Peer Group Average*	\$0.122	NA
Pacton Gold Inc.	\$0.010	NA

\*Capital IQ Consensus

### MAJOR SHAREHOLDERS

Management (11.32%), Eric Sprott (9.1%)

DISCLOSURE CODE: 1,2,3,4

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

Source: RCKS, Company Information, Capital IQ

### Company Description

Pacton Gold is a gold explorer focused on unlocking value in the Pilbara district of Western Australia. The company has been active in consolidating land holdings in the Pilbara through recent transactions with Arrow Minerals and Impact Minerals, which has made Pacton the third largest land holder in the district with over 2,500 sq. km behind Novo Resources with ~ 12,000 sq. km. The company has also recently received a strategic investment from Eric Sprott, who now owns 18.4% of the company, on a partially diluted basis.

### Impact: Mildly Positive

Pacton Gold continues to discover gold nuggets on its properties in the Egina region; specifically at the Golden Palms property (Figures 1 & 2). The news is another step in the right direction for the company as it ramps up its exploration efforts in Western Australia and transitions from land-acquirer to explorer. **In our view, Pacton has multiple projects that could yield a significant conglomerate gold discovery, as demonstrated by its early stage success.**

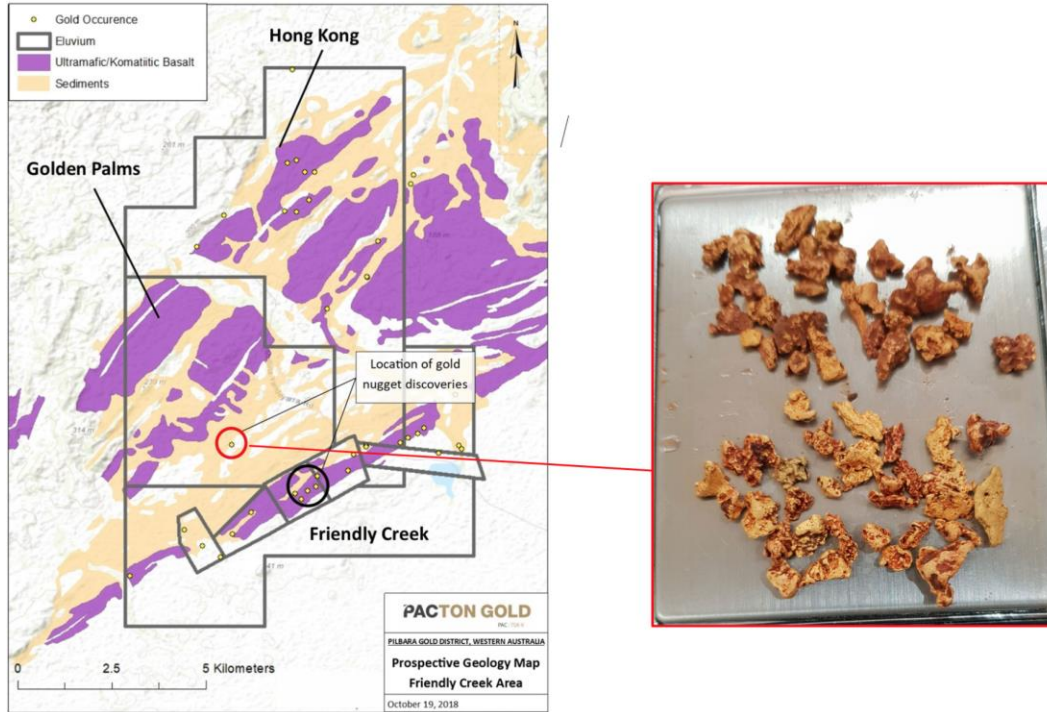
### Highlights:

- **Nuggets from Golden Palms imply significant scale potential at the company's Egina tenements.** The discoveries were made within a 300m by 300m area located approximately 2.5km northwest of the company's **previously announced** discovery of gold nuggets at Friendly Creek (Figure 1) and associated with the same 10km stretch of ultramafic and komatitic basalt rocks. While very early days, the scale potential is similar to that of Novo Resources (TSXV:NVO) Comet Well/Purdy's Reward project.
- **Significant underexplored strike length.** The Golden Palm, Friendly Creek and Hong Kong tenements are all located in South Egina, along a large underexplored 8km thick volcano-sedimentary system, which extends for ~10km along strike (Figure 1). The combined land package is adjacent to Novo's recently acquired Egina tenements, which Novo highlighted as prospective.
- **More exploration catalysts expected shortly.** The company has started to ramp up exploration, specifically at the Egina properties. We believe that exploration success from its own projects, along with positive news from Novo, should provide additional momentum for the share price.

### Valuation:

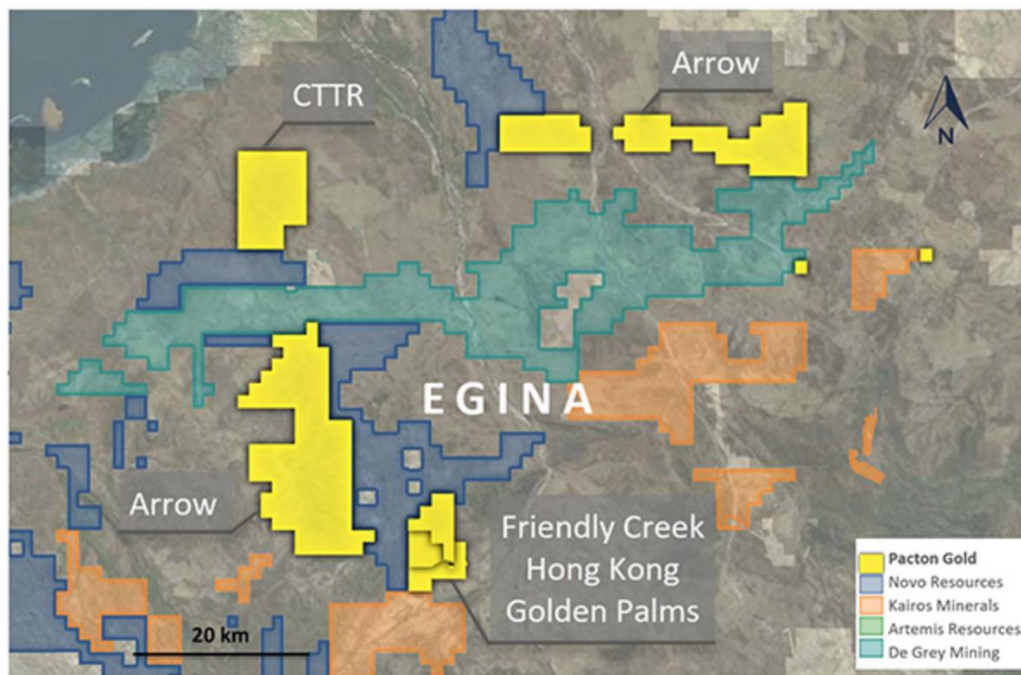
**Pacton is the third largest conglomerate landholder and its recent exploration success could be repeated at its other projects.** With an excess of 2,500 km<sup>2</sup> in the Pilbara and work underway on multiple projects, we believe that exploration success at one or more of its projects could drive Pacton's share price higher. This should be particularly true if Novo's bulk sample results provide some positive momentum for the space. **Upcoming catalysts:** 1) Initial exploration results from Arrow and 2) Novo bulk sample results (Oct).

**Figure 1: Location of recent gold nugget discoveries along Pacton tenements**



Source: Company Reports

**Figure 2: Location map of Pacton tenements in the Egina area**



Source: Company Reports

Figure 3: Company Comparables

Company	Ticker	Price (C\$/sh)	YTD Perf.	Shares (M)	Mkt. Cap C\$M	Cash C\$M	Debt C\$M	EV C\$M	US\$EV/ha
<b>Pacton Gold Inc.</b>	<b>TSXV:PAC</b>	\$0.38	29%	95	\$36	\$4	\$0	\$32	<b>\$0.010</b>
Artemis Resources Limited	ASX:ARV	\$0.16	-40%	633	\$101	\$27	\$4	\$78	\$0.030
Kairos Minerals Limited	ASX:KAI	\$0.03	-25%	852	\$28	\$6	\$0	\$22	\$0.014
De Grey Mining Limited	ASX:DEG	\$0.15	-9%	364	\$53	\$1	\$0	\$52	\$0.022
Calidus Resources Limited	ASX:CAI	\$0.03	-26%	1446	\$40	\$6	\$0	\$35	\$0.073
Marindi Metals Limited	ASX:MZN	\$0.01	-50%	1783	\$11	\$2	\$0	\$8	\$0.030
International Prospect Ventures	TSXV:IZZ	\$0.18	-10%	27	\$5	\$1	\$0	\$4	\$0.007
NxGold Ltd.	TSXV:NXN	\$0.14	-60%	88	\$12	\$2	\$0	\$10	\$0.777
Novo Resources Corp.	TSXV:NVO	\$2.37	-36%	177	\$419	\$64	\$0	\$356	\$0.023
<b>Median</b>									\$0.026
<b>Average</b>									\$0.122

Source: RCKS Estimates, Capital IQ

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Company Name	Ticker Symbol	Disclosures
Pacton Gold Inc.	TSXV:PAC	1, 2, 3, 4

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