

August 17, 2021
Analyst: Ernst Schlotter



Industry: Gold Mining

TomaGold Corporation (TSXV:LOT) C\$0.07

TomaGold Starts To Prove Up its Assets By An Expansion Drilling Program in Obalski

Based in Montreal, Canada, TomaGold is a junior mining exploration company focused on maximizing shareholder value through the acquisition and exploration activities conducted in mining-friendly jurisdictions Quebec and Ontario. In 2020, TomaGold sold a minority interest of 25% to NYSE-listed Iamgold for a transaction value of \$8.5 million in cash and stocks, allowing LOT to move on to unlock the resource potential on their other properties. TomaGold owns 100% working interests in five gold properties in Quebec and one gold property in Ontario, with solid exploration potential. TomaGold's focus is on the Obalski project, high-grade and promising results from winter 2020 drilling warranting a larger drilling program to define the project potential. The expansion 10'000-meter drilling program has started in July. TomaGold has more than \$7 mil. in working capital and can finance the ongoing drilling program without raising capital and diluting its shareholders. **The share price trades for less than its book value and the true value of the Obalski project is not reflected in the stock price.**

Consolidated Statements of Operation (in C\$)

	Aug-31 2020	Nov-30 2020	Feb-28 2021	Mai-31 2021
Revenues	0	0	0	0
Gain on Assets	186,623	4,833,238	-787,061	1,431,009
Operating Profit	-331,301	4,349,210	-1,035,498	1,199,707
Financial Exp.	740	6,960	0	0
Other Income	14,645	0	0	0
Net Loss/Profit	-317,396	4,342,250	-1,035,498	1,199,707
EPS	-\$0.002	\$0.031	-\$0.007	\$0.008

Consolidated Balance Sheets in (in C\$)

Assets:	August 31, 2020A	May 31, 2021A
Cash	33,387	62,405
Term Deposit	20,019	20,019
Other Receivables	748,326	61,642
Marketabel Securities Mining Entities	1,339,410	8,116,788
Prepaid Expenses	3,451	125,404
	2,144,592	8,386,258
Non Current Asset		
Warrants in a quoted Mining Co.	103,824	446,517
Exploration & Evaluation Assets	3,951,761	3,346,003
Property and Equipment	3,851	6,378
	4,059,436	3,798,898
Total Assets	6,204,029	12,185,156
Liabilities:		
Trade ad other Payables	709,550	205,149
Credit Margin		300,000
Loan	25,355	25,355
Total Liabilities	734,905	530,504
Total Shareholder,s Equity	5,469,124	11,654,652

Source: SEDAR Filing, unaudited Financial Statements, Company reports,

Financial Data

Fiscal Year 2021	Ends August 31, 2021
Market Capitalization in C\$	10, 3 million
Shares outstanding 05.31.2021	152,713,575
Book Value/ Share (05.31.2021)	C\$0.076
Price/Book Ratio	0.92x

Stock Chart



INVESTMENT HIGHLIGHTS:

◆ **TomaGold has interests in five gold properties** near the Chibougamau mining camp in northern Quebec: Obalski 100% Working Interest (WI) on (345 hectares), Monster Lake East 100% WI (5,867 hectares), Monster Lake West 100% WI on (1,172 hectares), the Hazeur's properties 70% WI on (2,975 hectares) and Lac Doda 100% WI on (4,478 hectares). In Ontario, TomaGold participates in a joint venture and hold a 24.5% working interest in the Baird property (90 hectares), near Red Lake.

◆ **TomaGold teamed up with impressive strategic partners**, including two NYSE-listed companies Iamgold (IAG) and New Gold Inc. (NGD). In November 2020, the Company sold its remaining 25% of Monster Lake stake to IAG for \$8,5 million. In Ontario, in the resource-rich Baird property near the Red Lake mining camp, LOT JV-partners include Australia-based Evolution Mining (ASX: EVN), a A\$7.5B market cap company with a 24.5% WI, and New Gold Inc. a \$1.1B market cap company, the operator on this project, owning the remaining 51% interest.

◆ **The Company's exploration focus is on the gold Obalski-project** near the Chibougamau mining camp in Quebec. The Obalski discovery goes back to 1928, and the deposit produced between 1964 to 1972 100,273 tonnes at grades of 1.14% copper, 2.08 g/t gold, and 6.04 g/t silver from the A zone, and around 9,000 tonnes during 1984 at a reported grade of 8.5 g/t Au from the D zone. In December 2020, TomaGold initiated a three-month 2,500-meter drilling program on the property targeting A, C, D, and A-Po zones to unlock the mineral potential. TomaGold drilled seven holes, and excellent high-grade gold and copper values have been reported. **Based on the history and new drilling results, the project has a significant chance for a substantial economic potential**

◆ **In July 2021, TomaGold initiated a large 10,000-meter expansion drilling program on Obalski**, aiming to define the A-Po zone by drilling every 50m between sections 120 E and 450 E to a vertical depth of at least 500m, with some holes reaching a vertical depth of 650m. The A-Po Zone on sections 450 E showed strong winter drilling results with hole OBS-20-002 confirmed 47.4 g/t Au, 87.6 g/t Ag and 7.06% Cu over 1.1 meters, and 67.1 g/t Au, 40.1 g/t Ag, and 2.32% Cu over 0.5 meters. On section 120 E which is located 330 meters apart from 450 E. Three holes were drilled in the winter drilling program 2020, and hole OBS-21-005 confirmed the following results: 23.7 g/t Au and 24.5 g/t Ag over 0.5 meters. **These drilling results are an excellent indication of promising gold potential on this project.**

◆ **TomaGold further strengthens its leaseholds** around the Obalski and Monster Lake properties and we expect some drillings, once the work on Obalski is completed. TomaGold signed an agreement in April 2021 to acquire 46 claims located just south of the Obalski property. **The company has 151 wholly-owned claims covering 8,304 hectares (83 km²) situated around the Iamgold deposit.**

◆ **TomaGold recorded net earnings of \$ 4,5 mil (or \$0.031 per share)** for nine months, resulting in selling exploration and evaluation assets to Iamgold. The Company has more than \$7 million in working capital and can finance the ongoing drilling program without raising capital and diluting its shareholders. **The share price trades for less than its book value, and the Obalski project's true value is not reflected in the Company's stock price. We start covering TomaGold and work on an extensive research report, available within the next twenty to thirty days.**

Fiscal Year End August 31	2019A	2019A	2020A	2020A	2020A	2020A	2021A	2021A
<i>in Canadian dollars</i>	Aug-31	Nov-30	Feb-28	Mai-31	Aug-31	Nov-30	Feb-28	Mai-31
Revenues	0	0	0	0	0	0	0	0
Professional Fees	331,788	44,605	22,788	43,396	125,866	96,907	28,169	31,498
Consulting Fees	105,172	10,350	3,458	37,079	116,387	15,713	114,261	123,695
Loss (gain) on investment		17,470	-3,160	-155,770			787,061	-1,391,094
Loss on investment disposal			34,040				0	
Salaries Employe Benefits expenses	175,004	42,023	21,385	21,000	123,987	107,135	47,521	47,740
Share-based Payments			0			277,154	0	
Amortization of Property & Equipment	2,802				-2,140			
Amortization of non-financial assets		535	535	535		634	634	634
Net change in fair value of investments and warrants	35,313				-379,678	2,121,672		
Gain/loss on disposal of Exploration und Eval. Assets					193,055	-6,949,818		
Gain on Disposal of Investments				603,868		-5,092		-39,915
Gain on Debt Settlement						-46,700		
Other Operating Expenses	132,067	31,494	21,499	23,553	149,544	33,185	57,852	27,735
Operating Loss	-782,146	-146,477	-100,545	-573,661	-331,301	4,349,210	-1,035,498	1,199,707
Financial Expenses	13,694	30,742	-17,654	4,113	740	6,960		
Government Assistance					16,000			
Accretion Expenses					-1,355			
Net Income (loss) for the Periode	-795,840	-177,219	-118,199	569,548	-317,396	4,342,250	-1,035,498	1,199,707
Basic and Diluted Earnings (loss) Per Share	-\$0.006	-\$0.001	-\$0.001	\$0.004	-\$0.002	\$0.031	-\$0.007	\$0.008
Weighted Average Number of S/O	140,201,543	140,256,201	140,256,201	140,256,201	140,256,201	140,256,201	148,907,164	152,713,575
Total Shareholder Value	5,786,520	5,609,299	5'491'100	4'910'326	5'469'124	10'098'528	10'110'985	11'654'652
Book Value per Share	\$0.041	\$0.039	\$0.039	\$0.035	\$0.039	\$0.072	\$0.068	\$0.076