



NORTHERN Equity Research

GGX Gold Sets Two Rigs to Work on Gold Drop *Market Watching Next Phase Results*

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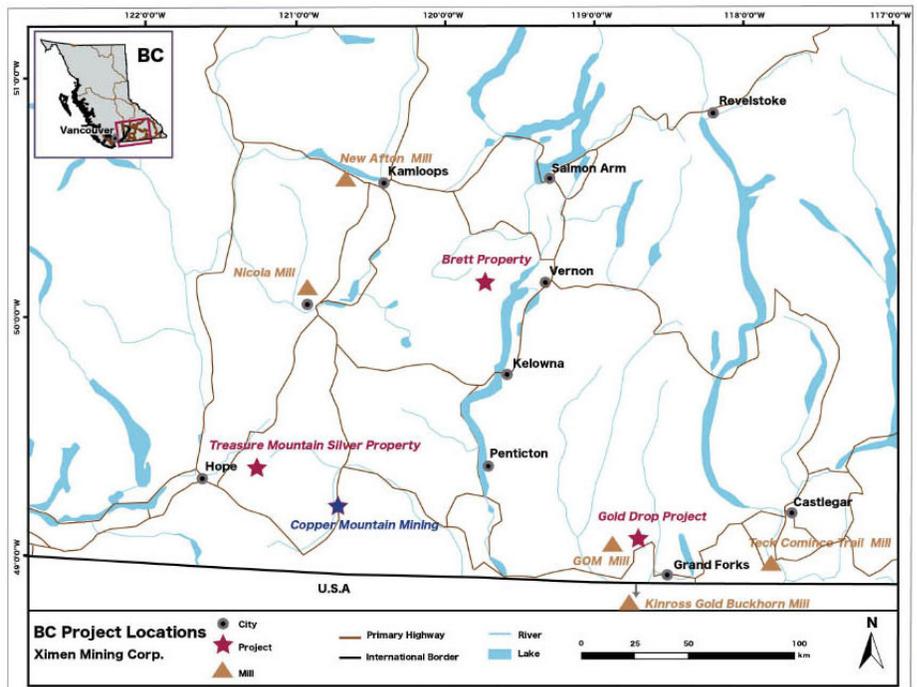
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GGX has now set two drills on their Gold Drop property in the historic gold mining region of Greenwood British Columbia. A series of exploration results last year shows the presence of a high grade, near surface, multi-vein gold system. Surrounded by mines and mills, the market looks to this year's program to further boost GGX investor fortunes.

The only official word you hear these days from **Kinross** on the subject of their mothballed Kettle River-Buckhorn operation is that “exploration activities in the region are continuing.”

Indeed. The mothballed mill, sitting in Washington State, just over the US/Canada border, needs feed to restart operations. That need has kicked off an intense interest in the Greenwood region of British Columbia, a mere 60 kilometres south from the Kinross operation.

GGX Gold Corp (TSX-V: GGX) is one of a few companies working toward producing gold from their property in Greenwood. Over the past two years, the company has been very active and turned up results that have led to the deployment of second drill rig on the property early this year.

Results have already started to roll in, and we expect to see a steady stream of news from GGX over the next six months—meaning investors will want to keep a close eye on what could become an important source of gold ore for the hungry Kinross mill only sixty kilometres south of the GGX property.

Greenwood Gold

The Greenwood mining camp comprises more than 25 former mines, including the Phoenix mine, a world class open pit copper-gold skarn deposit; and similar smaller producers such as Mother Lode, Oro Denoro, and Greyhound, and several significant polymetallic vein deposits, and more than 120 surrounding mineral prospects.

Most of the mineral production from the Greenwood mining camp is

from copper-bearing skarn deposits and, to a lesser extent, polymetallic quartz veins and, less commonly, copper-gold porphyry deposits.

In brief, gold mineralization in the Greenwood camp tends to be found in near-surface, vein structures, which is exactly what GGX has on their property.

The Gold Drop

The Gold Drop Property, was mined intermittently from 1919 to the 1980s with most production prior to 1942. Gold Drop’s historical production totals 7572 tonnes at an average grade of 5.2 g/t Au and 93.4 g/t Ag. The average mined grade is significantly affected by a large volume of very low grade material that was removed in 1934-35. Omitting production from these years, the average grade for the remaining 2505 tonnes mined from the property is 13.1 g/t Au and 133.7 g/t Ag.

Over the years, operators exploited three main veins—Amandy, North Star, and Gold Drop. Limited mining also took place at the Roderick Dhu vein in 1940 (25 tonnes mined at 19.9 g/t Au and 275 g/t Ag).

Historical expenditures of approximately \$10 million have gone into Gold Drop. The property hosts eight or more known low-sulfide, gold-bearing veins or vein systems.

Power is available on the property. Water is available, seasonally, from a small pond or several small creeks on the property, or from Jewel Lake. Services, including accommodations and fuel are available in Greenwood. Most services needed for exploration are available in Grand Forks, located 40 km east along Highway 3 from Greenwood.

2017 Results Set the Stage

As a results of an early 2017 prospecting program that returned grab samples of upwards to 19.6 g/t Au, GGX kicked off its Phase I drill program in July. That program returned some remarkable results.

At about the same time, the company announced the discovery of a new gold and silver bearing quartz vein in the Gold Drop South West zone. The vein was discovered by hand pitting a zone of local quartz float, which resulted in exposing the vein in-situ. The initial grab sample of the vein from the hand pit returned assays of 34.1 g/tonne or 1.0 Troy ounces / ton of gold and 233 g/tonne silver.

Days later, GGX announced receipt of the second batch of channel sample analytical results. The samples returned anomalous to high grade values for gold ranging from 0.2 grams /tonne to 43.2 grams per tonne (g/t) gold, with 34 channel samples exceeding 1 g/t gold. The samples also returned values of 2.6 g/t to 224 g/t silver.

Toward the end of August, GGX reported numbers from a grab sample of a quartz vein boulder broken off the outcrop by the excavator. The sample returned 81.8 g/t gold and 630 g/t silver. Chip samples across a wider vein exposure returned up to 52.8 g/t gold and 377 g/t silver.

About the same time, the first batch of results from the Phase I drill program came in. The drilling tested one vein along 80 meters of strike length. Assays came in with values of up to 24.0 g/tonne Au and 192 g/tonne Ag.

The second batch of drill core sam-

ples returned significant gold and silver values including a broad intersection grading 4.59 g/t Au and 38.64 g/t Ag over 16.03 meters with a high grade core grading 10.96 g/t Au and 89.86 g/t Ag over 5.97 meters.

Similar results came in over the course of the next 45 days. Then, in November, GGX announced results from a quartz sample taken from a dump pile located near an old adit. Those results included values of 297 g/t Au and 1290 g/t Ag.

That set the stage for GGX’s 2018 Phase III drilling program of up to 5000 metres designed to follow up on data obtained from the 2017 drill program. That program got underway in March.

Toward the end of March GGX set up a second diamond drill rig in the Southwest Zone of the property to complete a series of exploration holes testing the newly discovered gold bearing Everest Vein. The vein, located approximately 600 meters southwest of the company’s Phase III worksite on the C.O.D Vein has not previously been drill tested.

The initial 2017 grab sample of the Everest Vein returned 34.1 grams /tonne (g/t) Au or 1.0 Troy ounces / ton of gold and 233 g/t Ag. Chip samples across the vein exposure returned up to 52.8 g/t Au and 377 g/t Ag while a grab sample of a quartz vein boulder broken off the outcrop by the excavator returned 81.8 g/t Au and 630 g/t Ag.

Fast forward to May, when GGX announced they had intersected a 2.2 meter mineralized quartz vein with visible tellurides and visible gold at the COD vein, and extended the vein 65 metres to the south.

Toward the end of May, GGX strengthened the team with the addition of Robert A. Tilsley, B.Sc., P. Geo. Mr. Tilsley has over forty years of experience in minerals exploration for various types of mineral deposits in North and South America and Africa. He has extensive exploration experience in the evaluation of auriferous quartz veins and extensive uranium exploration experience in the Athabasca Basin in Canada and in Niger.

On May 29, the company announced the first of the 2018 results from its Phase III drill program, with values up to 14.62 g/t Au and 150 g/t Ag over a strike length of 2.1 metres, and 23.8 g/t Au and 253 g/t Ag over a strike length of 1.15 metres.

Next Up

GGX now has two rigs at work on two separate veins on the Gold Drop Property.

Surface samples, trenching, and drilling last year delineated a strike length of up to 295 metres on the C.O.D. vein. This year's drill program will aim to extend and further delineate depth and grade.

The second, more recently discovered vein, the Everest, appears to extend over a length yet to be determined. Current drilling is the first pass on this vein. The work will give GGX a better picture of the vein's potential.

The company completed a \$480,000 raise in May and is sufficiently funded for this year's drilling.

Cores from both veins are currently at the lab, and we can expect to see a stream of results throughout the summer and autumn of this year.

Investment Case

GGX share price has been range bound over the winter months, tracing a line between \$0.10 and \$0.15. If the company continues to announce positive drill results in coming months the stock could break out of its pattern. Look for higher volumes and increasing momentum as the share price get closer to \$0.15. Share prices reached a high of \$0.225 last summer.

Market cap remains modest, with under 40 million shares outstanding.

There is, of course, the possibility that Kinross will become more aggressively involved with GGX—opting to fund exploration, working a joint venture deal, or making an outright purchase of GGX to acquire ore to feed their mothballed mill just 60 kilometres south of the Gold Drop. All of that remains speculation, as Kinross has thus far been very quiet about their take on the property.

I'll be happy to acquire shares on dips to the low end of the range but at this stage in the annual cycle I may not get lucky—at which point I'll have to decide whether or not to play the break out should it happen.

In any case, I'll be keeping GGX on my screen, watching the news flow, and looking for upticks in price/volume going forward. For more information and background, you can access my initial report on GGX at <http://northernequityresearch.com/precious-metals/ggx-gold>

GGX Gold Corp. At a Glance

- **GGX.V—Now listed in Germany and in the USA on the OTCQB**
- **Excellent share volume**
- **Price has and is appreciating**
- **Excellent Team, that have all participated in finding mines**
- **Excellent Team of Miners has completed mining projects in this district—The Detonia, The Republic, The Erickson**
- **Excellent infrastructure—a few kilometres from city of Greenwood BC**
- **Millions of ounces of gold found in this Republic Graben (Kinross best producer)**
- **Major has optioned ground adjacent and surrounding GGX and is actively exploring**
- **Several local mills all looking for feed, only kilometers away**
- **Extremely mining friendly community**
- **Drills running now**
- **Excavator digging now**
- **Fully permitted for the season, multiple drill pads and trenching included**
- **Multiple high grade veins—newly discovered, historically mined, discovered yet not drilled**
- **Small gold testing plant up and running assisting exploration**
- **Mineable grades of new drilling intercepts—into newly discovered gold/silver veins**
- **New vein system kilometers in length**
- **Both open pit and underground scenarios**
- **No helicopter required**

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