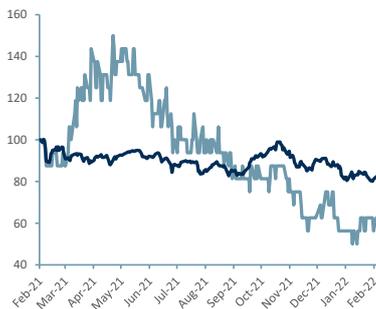


# BRIEFING NOTE

## 52 Wk. Lo/Hi

## 0.04 – 0.12



ROVR (lighter line) TSXV market vs price relative

### Tuesday, 01 March 2022

Close Price	0.045
52 wk Range Low	0.040
52 wk Range High	0.120
MCAP (m)	C\$5.30
EV (m)	C\$4.62
Index: Public	TSXV
Financial YE	31-Dec
Currency	CAD

### Business Activity

Mining E&P

### Key Metrics

Gross debt (m)	C\$0.03
Cash (m)	C\$0.71
Net Debt (Cash) (m)	-C\$0.68
Net Operating Cash (m)	-C\$1.66
Revenue (m)	N/A
Net Income (loss) (m)	-C\$1.43

### Key Ratios

(Net Cash) / Shareholder Equity %	-12.81%
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### Mining Sector Research

#### TSXV Market Index

#### ACF Mining Team

+44 20 7419 7928

mining@acfequityresearch.com

# Rover Metals Corp.

## Core Investment Case

Rover Metals Corp (TSXV: ROVR;, OTC: ROVMF) is a Canada-based exploration junior miner exploring for precious metals (i.e. gold). ROVR is advancing its 100% owned Cabin Gold Project located in the Northwest Territories (NWT). The Cabin Gold Project has an historic resource estimate of 85 Koz, at high-grades up to 15.8 g/t Au. The Phase 2 drilling program completed 3Q21A at Cabin Gold, discovered deposits with an average grade of 10 g/t Au and was considered as one of the best holes drilled by a junior miner. Cabin has 3 high to medium mineralized zones to date – Arrow, Beaver and Andrew, according to management. Cabin Lake Arrow Zone averages 13.6 g/t Au. Rover also owns a 25% interest in the Up Town Gold Project also located in the NWT.

- Gold exploration-stage mining company with leading asset base;
- Cabin Gold average deposits grade 10 g/t, Arrow Zone 13.6 g/t;
- Net loss of C\$0.371m for 3Q21A, TTM net loss C\$1.4m;
- Cash/cash equivalents of C\$0.71m for 3Q21A + PBSE cash in C\$0.3m.

CAD (m)	MCAP	EV	RoA %	RoE %	NCO	Levered FCF
2021	5.30	4.62	-14.77%	-51.86%	-1.7	-3.0
Multiples						
	EV/ Revs	P/ S	Trail PE	BV/ Share	P/ B	Current
2021	N/A	N/A	N/A	0.03x	1.5x	7.8x

## Investment Case

**Proximity to well-known deposits** – Rover owns 100% interest in the Cabin Gold Project located in Yellowknife, NWT and has optioned a 75% interest to Artic Fox Minerals (formerly Melius Capital) for its Up Town Gold project, NWT.

NWT is one of the most under-explored areas in Canada, providing Rover with a potential competitive advantage. **~14Moz. of gold has been historically mined in the region.**

Cabin Gold is close to areas of large deposit discovery - within 130km<sup>2</sup> of over 7.2Moz of proven gold deposit resources/reserves currently under development by other junior miners. This increases ROVR's chances of a scalable potential discovery at Cabin Gold.

**Existing infrastructure:** The NWT has pre-existing high-quality infrastructure which should help reduce initial capital costs for Rover.

**Gold price to continue upward trend:** The outlook for the gold price continues to remain bullish in the short-term. Rover forecasts the price of gold will reach \$2,000/oz during 22E and \$2,350/oz by 23E. ACF assesses that there is clear long-run upward price pressure for gold prices.

The price of gold is likely to be supported by the rise in inflation as the global economic recovery gathers pace or geopolitics causes a flight to safe haven assets. Real yields globally remain low (US 10y at 1.59%).

**Exploration programs suggest high-grade deposits:** The company's exploration program has shown encouraging results so far. Rover has four untested brownfield targets and has identified at least 12 greenfield target to explore.

The Phase 1 drilling program completed in 4Q20 at Cabin Gold Arrow Zone, returned samples with deposits of 13.6 g/t, and multiple other high-grade intercepts.

Phase 2 drilling programs at Cabin Gold and Up Town Gold began in Sep 2021. For Cabin Gold, management is targeting to release a NI 43-101 compliant maiden resource estimate by 1H22

## Catalyst

Ongoing drill programs, a stronger gold price, and successful capital raises.

## Operational Strategy

Rover's strategy is to advance exploration and drilling programs in its current locations. The 4Q20A phase 1 exploration program identified high-grade (13.6 g/t) gold at Arrow Zone. In Sep 21 ROVR announced the completion of the drilling element of its P2 exploration program at Cabin Gold.

ROVR appears to be building a case for a contiguous gold ore body stretching through Arrow, Beaver and Andrew zones of Cabin. ROVR's key aim appears to be to continue to expand its Cabin resource estimates (current historic resources reported at 85Koz).

The company is focused on pursuing various funding opportunities to raise sufficient capital to carry out its exploration and development work at its properties. During 1H21A, ROVR closed a C\$ 3.5m funding round.

### Advancing gold projects -

**Cabin Gold Project** – The last part of the phase 2 exploration program, a ground Induced Polarization (IP) study results were announced in Jan 2022. The ground IP results appear to show a correlation with sulfide content of the Bugow Iron Formation. The news release of 25 Jan 2022 states that High-grade gold at Cabin is associated with elevated-sulfide concentrations.

A successful IP program at the project assists the company in delineating deeper drill targets for a phase 3 program beginning 1Q22E. Phase 3 exploration involves digging deeper (below 100 meters) into pre-defined ore shoots, including Arro Zone.

The upcoming P3 drill program is crucial as it will provide insights into the resource potential of the project. Management's objective is to complete an NI 43-101 compliant maiden resource estimate by 1H22E. NI 43-101 is a Canadian standard recognized globally for reporting resources + reserves et al, it is broadly comparable in terms of data and standards with the Australian JORC and South African SAMREC reporting codes.

**Up Town Gold** – Phase 2 exploration drilling, started in Sep. 21 and completed two months later in Nov 21. Up Town Gold is an Archean lode-gold prospect located next to an historic resource of ~7.2Moz of 16 g/t Au. In 2017, Rover drilled at the Red Vein and returned gold interceptions of 5.4m at 4.28 g/t.

**Existing and 'new' infrastructure:** The area boasts existing road access and the presence of four junior gold miners that are 5-10 years ahead in the mine development cycle – we infer from this that skilled labour for ROVR is readily available.

*ROVR is considering a refinery 'JV' with Fortune Minerals' (FT.TO) NICO facility 40km northwest of the Cabin Gold Project*

## Management Team

➤ **CEO, Judson Culter.**



Judson co-founded Rover Metals in 2014. Judson is an experienced start-up engineer and has over ten years of international finance, capital markets, and accounting experience. Judson has helped raise over C\$20m in private and public financings for start-ups and growth orientated companies in the Pacific Northwest, Asia Pacific, and South America. Judson has taken several mineral resource corps public, most recently Rover Metals, and prior to that the

Dolly Varden Silver project (TSXV: DV).

➤ **CFO, Oliver Foeste.**



Oliver currently holds strategic CFO roles for a select number of private and public companies, and previously held executive leadership positions in large and small companies listed in both Canada and the United States. Oliver is the Managing Partner of Canada-based Invictus Accounting Group and brings over a decade of financial and business advisory experience across several sectors including mining, natural resources, technology, real estate,

cannabis, and more.

## Risks

**Project development risk** – This includes failure to be granted a license or to discover or develop an economically recoverable ore reserve, to conclude a definitive feasibility study, and to obtain the necessary consents and approvals for the conduct of exploration and mining.

**Commodity price risk** – ROVR is highly exposed to commodity price volatility. A potential fall in commodity prices could lead to its projects becoming economically unviable. Risk mitigation steps could include measures to hedge risk including steps such as stockpiling when prices are low and price hedging when prices rise above expectation.

**Funding availability** – Mining is a capital-intensive business and requires a significant amount of investment as well as working capital. If the company is unable to raise capital for its exploration and development activities, it will adversely impact the timelines for its projects. Also, too much new equity (raising money via issuing equity) will lead to dilution while debt funding will increase interest cost thereby putting further pressures on cash flows. ROVR does not have an ESG policy at this time, which creates a significant barrier to funding. We estimate that in 2021 AUM \$30trn were formerly inaccessible to companies without an ESG with metrics. We believe the AUM filtered informally at this time using ESG filters is far in excess of AUM \$30trn.

**Regulatory risk** – Mining projects tend to attract high regulatory interest given their impact on the environment as well as on the country's natural resources. ROVR's assets are located in Canada, which has extensive regional laws and regulations. Failure to comply with them could lead to delay or complete shutdown of the development of the assets. ROVR does not have an ESG policy or use big data collection and analysis at this time.

**Personnel** - Small and mid-sized companies are more dependent on their C-suite/executive management teams than large and mega-cap global companies. The loss of key personnel can have a disproportionate impact on valuation and investor perception compared to similar events at larger more mature (often ex-growth) companies.

**Pandemic risk** – A new pandemic could lead to: Civil unrest and international conflict over treatment availability and/or palliative treatments (if any). Lock downs imposed upon the mining crews due to site infection. China or India into country wide lockdown for an extended period. Deep global capital markets and economic recession with a duration measured in years rather than months.

## Notes [Intentionally Blank]

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**ACF Equity Research Limited, 125 Old Broad Street, London, EC2N 1AR, U.K.**

**Tel: +44 (020) 7558 8974**

**Website: [www.acfequityresearch.com](http://www.acfequityresearch.com)**