

**Lake Victoria Gold – Imwelo Project Receives Forward Purchase Agreement**

**Rating**  
**BUY**  
Unchanged

**Target Price**  
**\$0.45**  
Unchanged

**December 3, 2024**

All figures in CAD unless otherwise stated

Lake Victoria Gold Ltd.	LVG:TSXV
Rating	BUY
Target Price	\$0.45
Return to Target	150%

**Market Data**

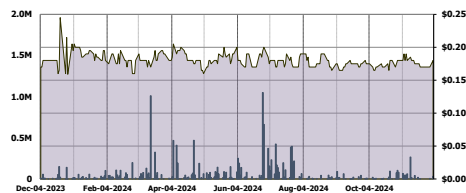
Share Price	\$0.18
Average Daily Volume (K)	46.8
PF FD ITM Shares (M)	176.2
Market Cap (\$M)	\$31.7
PF Cash (\$M)	\$3.9
Debt (\$M)	\$1.1
Enterprise Value (\$M)	\$28.9

Estimates	2024E	2025E	2026E
Gold Production (Koz)	0.0	11.5	12.5
Net Revenue (\$M)	\$0.0	\$26.0	\$28.0
Cash Flow (\$M)	N/A	\$9.6	\$9.1
CFPS	N/A	\$0.05	\$0.05
Cash Costs (US\$/oz)	N/A	\$835	\$848
AISC (US\$/oz)	N/A	\$1,095	\$1,169

**Valuation**

NAV (\$M)	\$136.4
NAVPS	\$0.77
P/NAV	0.2x
2026E P/CF	3.5x

Please refer to the applicable disclosures on the back page  
Disseminated on behalf of Lake Victoria Gold Ltd.  
Source: Atrium Research, CapitalIQ, Company Documents



Lake Victoria Gold is a rapidly growing gold exploration and development company listed. Leveraging its unique position and experience, the Company is principally focused on growth and consolidation in the highly prolific and prospective Lake Victoria Goldfield in Tanzania.

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**What you need to know:**

- LVG announced a term sheet including a forward purchase agreement of 7,000oz of gold plus an offtake agreement.
- With permits secured last month, today's announcement derisks the project development from a financing perspective.
- The second tranche of the financing involving Taifa Group is expected to close within the next few weeks and will provide additional funding (~\$3.8M) to LVG, further derisking it from a capital standpoint.

This morning, Lake Victoria Gold (LVG:TSXV) announced a non-binding term sheet for Monetary Metals & Co. for a pre-paid forward arrangement (PPF). The PPF includes a forward purchase of 7,000 ounces of gold to support the development of the Imwelo Mine in Tanzania. Under the PPF, Monetary Metals will acquire gold from LVG at a predetermined discount, set at 99.7% of the London PM Fix price on the date of delivery. At US\$2,500/oz gold, this represents ~US\$17.5M, which would be more than enough to fund the development of the project. Additionally, Monetary Metals will be entitled to an offtake of 100% of LVG's authorized export production, up to 100,000oz, at a 2.0% discount to the market price. This news is significant as following the transfer of the Imwelo Mining Licence (announced November 7<sup>th</sup>, read our research note [here](#)) which derisked the project from a permitting perspective, today's news derisks the project from a financing perspective. **We are maintaining our BUY rating and \$0.45/share target price on Lake Victoria Gold.**

LVG has also agreed to a quarterly cash sweep mechanism, allowing the Company to allocate positive cash flow from the project to adjust future delivery obligations.

As part of the agreement, LVG will issue Monetary Metals 2.5M bonus share purchase warrants. Each warrant entitles Monetary Metals to acquire one common share of LVG at an exercise price set at Market Price, pending TSXV approval, for a period of three years from the issuance of the loan.

We note that in hindsight, the delay in the receipt of the mining license has significantly benefitted the Company as, in that time, gold has risen ~20%, providing more capital to LVG than originally planned.

**Additional Funding**

We remind readers that we expect the second tranche of equity investment from the Taifa Group to close in the near term. This investment is comprised of 16M units including one common shares at a price of \$0.24/unit for gross proceeds of \$3.84M and one warrant exercisable for two years at \$0.26/share. The agreement also states that six months after the Company breaks ground on the project, Taifa will have 20 days to exercise the warrants listed above which will provide an additional \$4.16M.

**Imwelo Project Refresher**

With the Imwelo Project now derisked from both a permitting and financing perspective, the Company can now proceed with project construction. Construction is expected to take until late 2025 at which point the operation will produce ~11Koz/yr per year ramping to over 20Koz. Find more information on our production estimates in our initiation report [here](#).

**Catalysts**

- Taifa Financing – Q4/24
- M&A and 2024 Drill Results - Ongoing
- Key Development Milestones for Imwelo Project – FY25

### Why We Like Lake Victoria Gold

- Path to Profitability – Imwelo Production (H2/25)
- Strategic Partnerships to Provide Cash – Barrick & Taifa Partnerships
- Exploration Upside Across all Projects – Imwelo & Tembo
- Motivated Management - Significant Insider Ownership

### Valuation

We value LVG's ownership of the Imwelo Gold Project at \$0.13/share, the Tembo Gold Project at \$0.11/share, the Dora Project at \$0.09/share, the Barrick agreement at \$0.14/share, and the PF cash balance at \$0.02/share. We use a conservative 0.3x NAV multiple and 8% discount rate for the Imwelo Project as the Company has yet to complete construction and produce any gold, thus, there is a sizeable upside to our \$0.45/share target price of LVG executes.

Valuation	Amount (C\$)	Per Share (C\$/share)
<b>Mining Assets</b>		
Imwelo Gold Project (8%)	74,708,111	0.42
P/NAV Multiple		<b>0.30x</b>
	22,711,266	0.13
Tembo Gold Project	19,514,915	0.11
Dora Gold Project	15,453,000	0.09
<b>Total Projects Valuation</b>	<b>57,679,181</b>	<b>0.33</b>
<b>Valuation After Tanzanian Interest (16%)</b>	<b>48,450,512</b>	<b>0.27</b>
<b>Corporate Adjustments</b>		
(+) Barrick Payout (1.0 Moz)	23,901,277	0.14
(+) PF Cash	3,921,636	0.02
(-) Debt	1,062,216	0.01
<b>Total NAV</b>	<b>75,211,209</b>	<b>0.43</b>
<b>Current Share Price</b>		<b>\$0.180</b>
<b>Target Price (Rounded)</b>		<b>\$0.45</b>
<b>Upside</b>		<b>150%</b>

Figure 1: Valuation Summary

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**HOLD:** The stock is expected to generate returns of 0-20% over the next 24 months.

**SELL:** The stock is expected to generate negative returns over the next 24 months.

**NOT RATED (N/R):** Atrium does not provide research coverage on the respective company.

RATING	COVERED COMPANIES
BUY	20
HOLD	0
SELL	0

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