

Canadian Palladium Resources Inc. (CSE:BULL)

Exploration Update

March 31, 2021

Drilling Extends Strike of East Bull Palladium Deposit

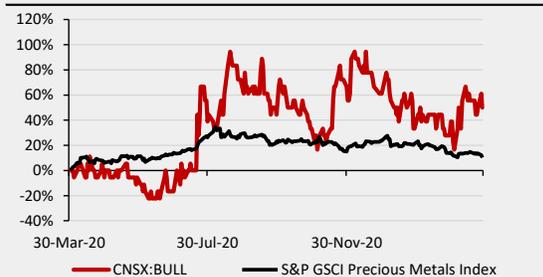
(Currency is CAD\$ unless noted otherwise)

Closing Price (\$/sh)	\$0.14	
Rating	NA	
Target (\$/sh)	NA	
Return to Target	NA	
52 Week Low / High	\$0.07 / \$0.18	
CAPITALIZATION	Basic	Diluted
Shares Outstanding (M)	65.4	87.4
Market Capitalization (\$MM)	\$8.8	
Enterprise Value (\$MM)	\$6.1	
Cash and Cash Equivalents (\$MM)	\$2.8	
Total Debt (\$MM)	\$0.0	

STOCK CHART



RELATIVE PERFORMANCE



MAJOR SHAREHOLDERS

Management (1.62%), Carsonby Enterprises Inc. (1.91%), Galloway Financial Services, Inc. (1.63%)

DISCLOSURE CODE:

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

Source: RCS, Company Information, Capital IQ

Company Description

Canadian Palladium Resources Inc. engages in the acquisition and exploration of resource properties in North America and Europe. The company holds 100%-interest in the East Bull PGM property that comprise 992 hectares located in Ontario, Canada; and Tisová and TGER cobalt-copper properties located in Europe. It also holds interest in the Agnew Lake property that consists of 260 claims covering an area of approximately 6,000 hectares. The company was formerly known as 21C Metals Inc. and changed its name to Canadian Palladium Resources Inc. in January 2020.

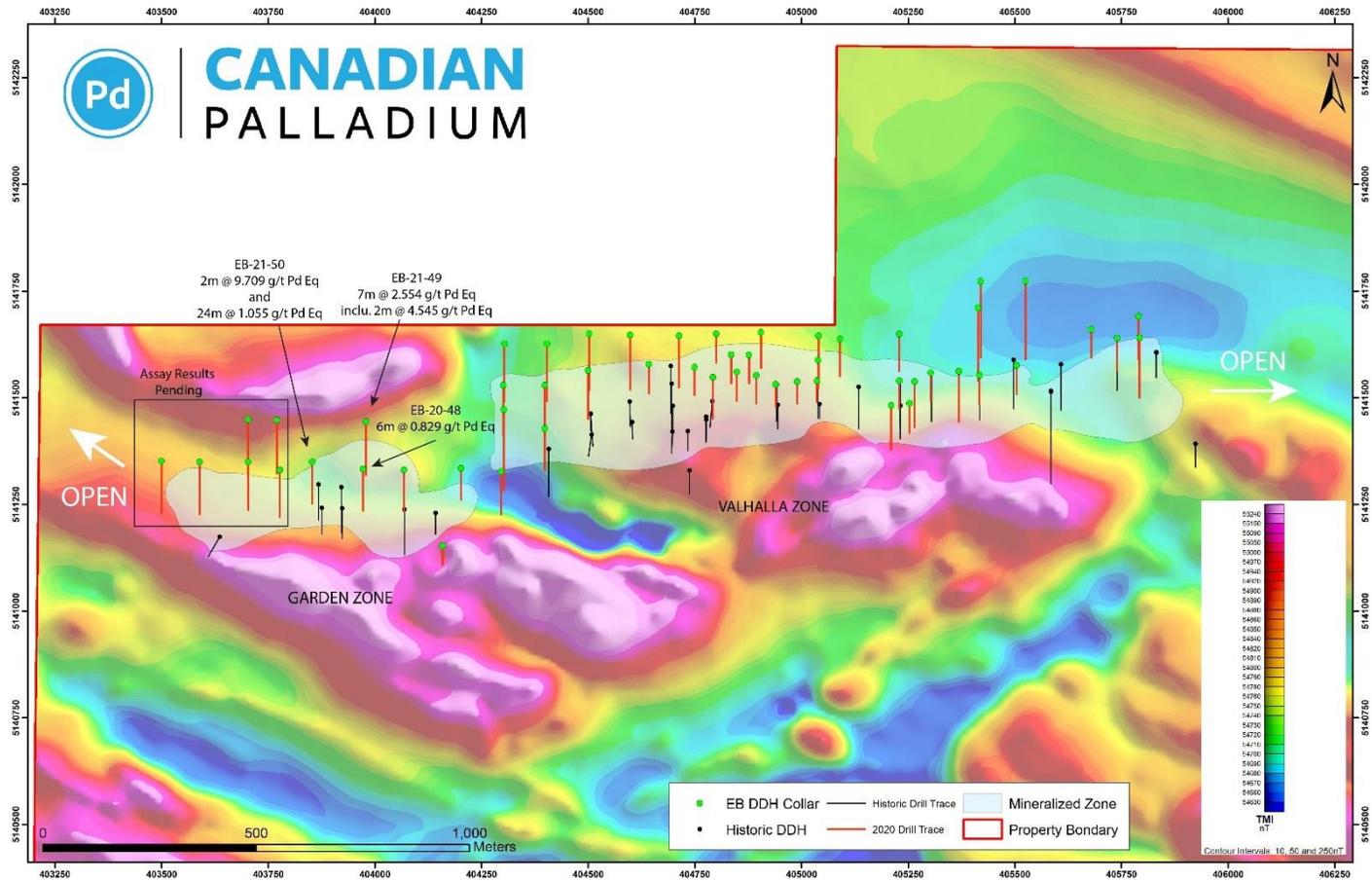
Impact: Very Positive

Canadian Palladium announced assay results from three holes at its 100%-owned East Bull Palladium (EBP) deposit located 90km west of Sudbury, ON. We view these results very positively as they have extended the Garden zone along strike by 400m to the west and returned grades much higher than existing resource grades. **With positive exploration results and palladium and rhodium prices at all time highs, we believe investors should be keeping a close eye on this overlooked and developing story in one of the top mining jurisdictions in the world.**

- **EBP extended to 2.9km strike.** These three holes have extended strike of the EBP deposit by 400m to 2.9km of near-continuous sulphides hosting Pd, Pt, Rh, Au and base metals. Highlight intercepts include: **1) 9.71 g/t Pd Eq. over 2m** and **1.06 g/t Pd Eq. over 24m** (EB-21-50), and **2) 2.55 g/t Pd Eq. over 7m** including **4.54 g/t Pd Eq. over 2m** (EB-21-49). Furthermore, the holes were strategically drilled within the gap between the Garden and Valhalla zones (Figure 1).
- **Mineralization remains open in all directions.** Drilling is part of an 11,000m program (currently on pause for two to three weeks) targeting the down-dip extension of the deposit with results to date highlighting that mineralization remains open in all directions.
- **Assays for Rh and seven drill holes still pending.** Per company policy and due to cost of assays, Rh is analyzed after initially assaying for Pd, Pt and Au. Assay results for Rh and an additional seven holes (EB-21-51 to -57) from the Garden zone remain pending.
- **Updated resource estimate due in Q2/21.** The EBP deposit currently hosts a resource of ~523,000 oz Pd Eq. (11.1Mt at 1.46 g/t Pd Eq.) on the initial 1.6km extent of the Valhalla zone, which has since been extended. Management aims to increase the resource estimate by 4x to +2M oz Pd Eq. (+40Mt) in the in the long term. Its our expectation that a pending resource estimate might increase in size to ~20Mt at slightly higher grades, proving between 1.3-1.4M oz Pd Eq. in the interim (due Q2/21). by drilling the deposit at depth (200m to 240m).
- **More to come in 2021.** BULL plans to conduct exploration activities at the Agnew Lake property, along trend of the EBP deposit later this year. Activities are expected to include metallurgical test work, geophysical surveys and ultimately drilling on the property.

While we do not formally value Canadian Palladium (no rating or target price) we believe that exploration success, pending resource growth and high PGM prices could lead to share price re-rating. Using our price deck, we re-calculate the EBL estimate to 408k oz Pd Eq., and therefore estimate that BULL trades at an EV/oz of US\$27.55/oz versus peers at US\$24.84/oz. Had we used the original 523k oz Pd Eq. estimate, it would trade at US\$21.49/oz, below peers. This is an emerging company with pending resource growth, making now an attractive entry point for investors looking to gain exposure to the PGM market. We remain bullish on PGMs given strong demand. **Upcoming Catalysts:** 1) EBP deposit drilling (ongoing) and 2) Exploration activities at Agnew Lake (H2/21).

Figure 1: Plan map of drill holes on the Garden and Valhalla zones of the East Bull Palladium deposit



Source: Company Reports

David A. Talbot | MD, Mining Analyst
Koby Kushner | Research Associate
Alina Islam | Research Associate

Red Cloud Securities Inc.

105 King Street East, 2nd Floor
Toronto ON, M5C 1G6

research@redcloudsecurities.com

www.redcloudsecurities.com/research-home

Disclosure Statement

Updated 30 March 2021

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			BUY (S)	12%
			HOLD	0%
			SELL / Tender	0%
			NA	6%
			Under Review	36%

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Company Specific Disclosure Details

Company Name	Ticker Symbol	Disclosures
Canadian Palladium Resources Inc.	CSE:BULL	None

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