

Great Panther Mining Limited

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Roth hikes target on Great Panther Mining following production beat and cash injection

Roth has hiked its price target on Great Panther Mining Limited (NYSEAMERICAN:GPL) (TSE:GPR) after production beat estimates and the firm enjoyed a recent US\$21 million cash injection.

Analyst Jake Sekelsky lifted the target on the stock to US\$1 a share from US\$0.80 previously (current stock price in New York: US\$0.52).

Great Panther, which operates mines in Mexico and Brazil, kicked off this year with gusto by announcing a US\$11.25 million gold doré prepayment agreement with a Samsung subsidiary. That came shortly it unveiled an offtake deal with IXM Group worth US\$10 million.

READ: Great Panther Mining nearly triples gold equivalent production last year, thanks to Tucano

Sekelsky sees the cash boost as a "significant de-risking" event for the firm.

He says Great Panther now has the 'necessary working' capital to move forward with the technical review at the Tucano gold mine in Brazil aimed at bringing the project's UCS pit back into production in 2021.

Output from the Urucum Central South pit (UCS) was suspended last October due to a technical issue, while production was accelerated from the Urucum North and Urucum South pits.

Sekelsky noted that his estimates continue to omit tonnage from the UCS pit and sees the pit coming back online as additional upside to the broker's existing valuation.

Last year, consolidated group production totaled 146,853 gold equivalent ounces, which topped Roth's estimate of just under 140,000 gold equivalent ounces.

"We attribute the production beat primarily to higher than anticipated 4Q19 production at Tucano as production from Mexico was in line with expectations," said the analyst.

"Gold production at Tucano was higher than anticipated in 4Q19 and totaled 34,181 ounces, compared with our estimate of 31,057 for the quarter," he added.

Roth repeated a 'Buy' on the shares.

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Price: 0.81

Market Cap: \$252.22 m

1 Year Share Price Graph



February 2019 August 2019 February 2020

Share Information

Code: GPR

Listing: TSX

52 week **High** **Low**
1.58 0.53

Sector: Gold & silver

Website: www.greatpanther.com

Company Synopsis:

Great Panther Mining Limited is an intermediate gold and silver mining and exploration company listed on the Toronto Stock Exchange trading under the symbol GPR, and on the NYSE American under the symbol GPL. Great Panther operates three mines including the Tucano Gold Mine in Amapá State, Brazil, and two primary silver mines in Mexico: the Guanajuato Mine Complex and the Topia Mine.

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