



Rockstone Research

January 14, 2019

Report #4

Gold, Silver and Tellurium in
British Columbia, Canada



Hole COD18-67 intersected the highest gold-silver grades to date with diamond drilling at the Gold Drop Property.

Ximen reports "129 g/t gold and 1,154 g/t silver over 7.28 meter core length"

Record-Breaking Gold Hit in Southern British Columbia

Big news for Ximen Mining Corp. as the company today announced that its option partner hit high grades at the Gold Drop Project in the historic Greenwood Mining District of southern British Columbia, Canada.

According to the news, hole COD18-67 intersected near-surface high-grade gold, silver and tellurium in the southern extension of the COD quartz vein:

"129.1 g/t Au and 1,154.9 g/t Ag over 7.28 m incl. 232.1 g/t Au, 2,001.1 g/t Ag and >500 g/t Te over 3.13 m from 24.50 m to 27.63 m"

Although this hole was not drilled perpendicular to the strike of the vein, it still shows the exceptional high-grade nature of the vein, possibly being, or leading to, a large quantity feeder system. As Ximen keeps on reminding of the old saying "we drill for structure

and we drift for grade", this hole indicates how potential drifting may encounter the vein in case a production decision can be made in the future. Drilling along veins at slight angles helps in locating possible "ore shoots" and gaining a structural understanding of its vertical and horizontal orientations/extensions for targeted follow-up drilling.

COD18-67 was drilled as part of a 11 hole program in Fall 2018, with further assays from 4 holes pending and expected to be released shortly. In December, [Ximen's option partner revealed striking drill core observations ahead of assays](#), e.g. hole COD18-67 intercepting a 8.51 m mineralized interval including a 7.32 m quartz vein intercept (assays announced today), as well as hole COD18-69 with 9.65 m of quartz separated by mineralized wall rock and hole COD18-71 with 12.04 m of mineralization (assays from both these holes pending).

Company Details



Ximen Mining Corp.

888 Dunsmuir Street – Suite #888

Vancouver, BC, Canada V6C 3K4

Phone: +1 604 488 3900

Email: office@ximenminingcorp.com

www.ximenminingcorp.com

Shares Issued & Outstanding: 26,751,025



▲ Chart Canada ([TSX.V](#))

Canadian Symbol (TSX.V): XIM

Current Price: \$0.415 CAD (01/11/2019)

Market Capitalization: \$11 Million CAD



▲ Chart Germany ([Frankfurt](#))

German Symbol / WKN: 1XMA / A2JBKL

Current Price: €0.279 EUR (01/11/2019)

Market Capitalization: €8 Million EUR



With approximately 400 m of the potential 1,200 m strike length (observed visually from surface with soil and rock sampling) now being drilled off, the COD Vein remains open at depth, to the south, and to the north where gold showings are present some 100 m away.

What makes the COD Vein so attractive is that it occurs near surface at a vertical depth of around 20 m. Moreover, it is just one of many known high-grade veins on the property. Last year, drilling at Gold Drop started in February/March, so another drill program may start again shortly, with other vein targets are already drill permitted.

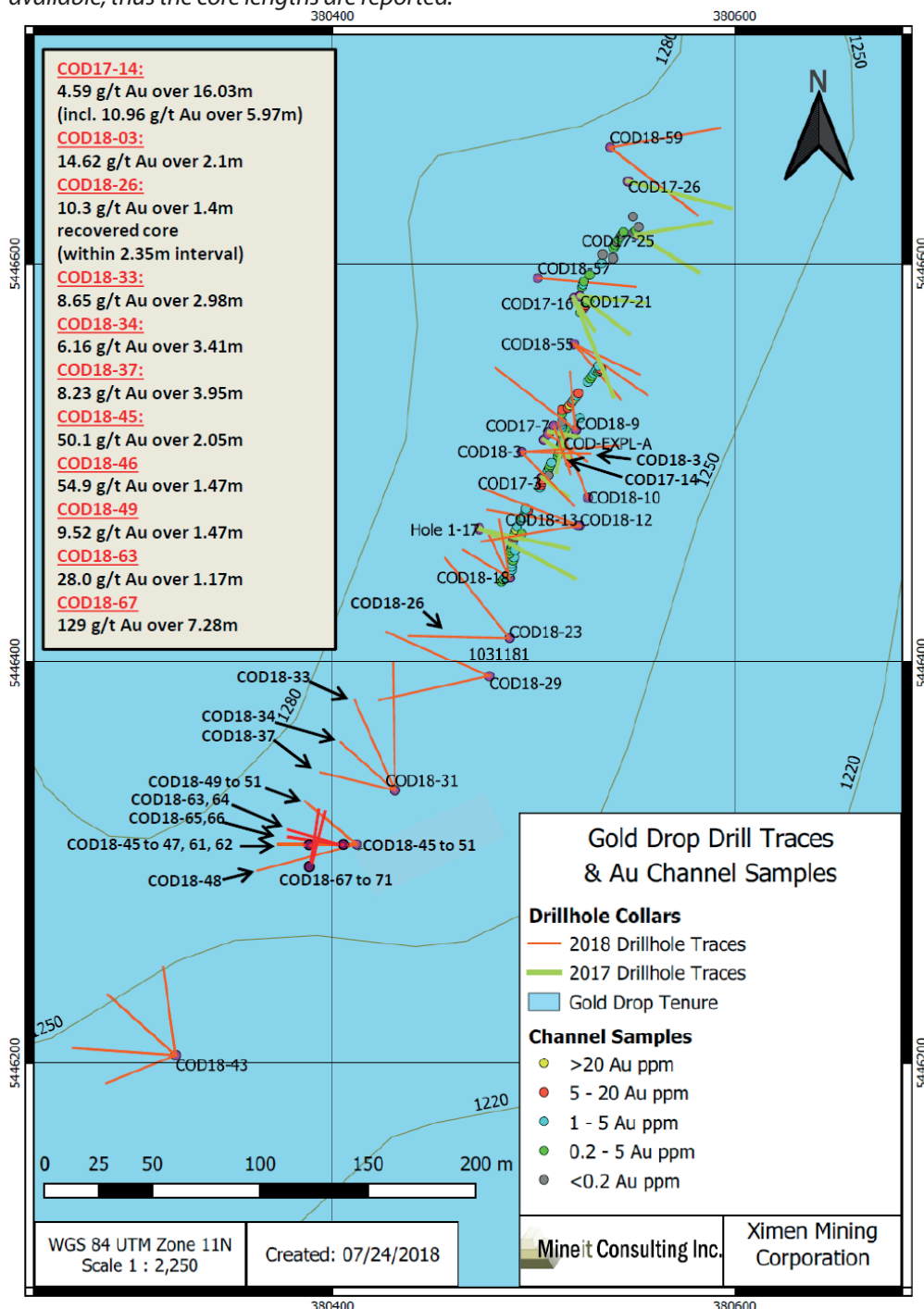
The Gold Drop Property is surrounded by historic production stories within a few kilometers away, e.g. the adjoining Dentonia Property recorded approximately 125,000 tonnes at an average grade of 10.8 g/t gold and 64.6 g/t silver in total historic production from the Dentonia vein (Minfile 082ESE055). The veins on the Gold Drop Property have similar strike/depth ratios as the nearby Dentonia Vein.

Ximen's team member, **Alex Mcpherson**, worked underground at the Dentonia Mine and thus knows the area well, and how such veins are mined. He has worked on many notable projects across Canada and the United States. In British Columbia, he was also sinking shafts for Bralorne Gold Mines. He has over 60 years of experience in mining and mineral exploration, has done extensive underground work including drifting, stoping, sinking shafts, driving raises, timbering, blasting and much more for a variety of private and public companies.

Ximen also has **Peter Cooper** onboard. He has been involved in 3 successful new gold mine start-ups and has overseen projects from the exploration stage right up to production. He played a significant role in the exploration, pre-production and development of Kinross Gold Corp's Buckhorn Gold Mine located in northern Washington State, close to the Gold Drop Project. For many years, he served as Chief Geologist and then Manager of Operations at Kinross' **Kettle River Mill**, where the ore of the Buckhorn Gold Mine was processed.

Hole ID	From (m)	To (m)	Length (m)	Au (g/t)	Ag (g/t)	Te (g/t)	Description
COD18-66	16.35	16.75	0.40	1.02	6.22	3.46	Quartz veinlet & altered wall rock.
COD18-66	22.96	23.90	0.94	6.97	46.8	34.4	Quartz vein
COD18-67	23.19	30.47	7.28	129.1	1,154.9		Quartz vein with +/- tellurides
COD18-67 incl.	23.58	23.95	0.37	106	1250	>500	Quartz vein with tellurides & VG
COD18-67 incl.	24.50	27.63	3.13	232.1	2,001.1	>500	Quartz vein with +/- tellurides
COD18-67 incl.	29.70	30.47	0.77	143	1,372.9	>500	Quartz vein with tellurides

See [Ximen's January 14, 2019 News Release](#) for Qualified Person's review of technical information. Note that true widths cannot be accurately determined from the information available, thus the core lengths are reported.



With the recent closure of Kinross' Buckhorn Gold Mine (depleted), the **Kettle River Mill** (capacity: 1,800 tonnes/day) is currently on care and

maintenance, hence Kinross could be looking for replacement feedstock to keep this large mill alive.

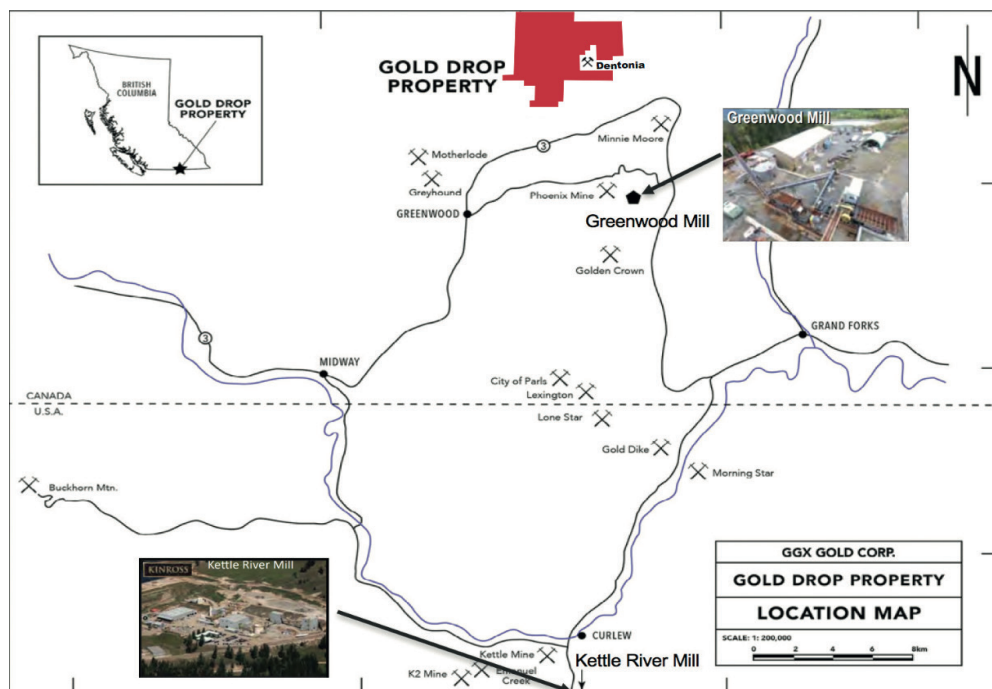


According to the [NI 43-101 Technical Report](#) on the Gold Drop Property (January 2014): "Since custom milling opportunities exist in the district, the property does not necessarily need to support a stand-alone mine/mill operation to be viable. Even a small or modest tonnage of high grade ore could potentially be profitable to extract, given the excellent infrastructure of the region and the property itself."

Option Agreement Favorable For Ximen

Since July 2016, the Gold Drop Project is under [option agreement](#) to GGX Gold Corp. which company may acquire a 100% interest by making staged cash and share payments to Ximen over a 4 year period equal to \$400,000 in cash (\$100,000 each year) and \$600,000 in shares (\$150,000 each year, subject to a minimum of 250,000 shares each year). This is in addition to the 1 million shares already issued to Ximen after TSX-V approval. GGX must also make work expenditures of at least \$1 million until 2020 (minimum of \$150,000 each year). Ximen will retain a 2.5% NSR (Net Smelter Royalty), of which GGX may buy back 1% by paying \$1 million to Ximen.

Now it gets interesting (i.e. why this option agreement is so favorable for Ximen and its shareholders): Once GGX has obtained a 100% interest in the project after 4 years (in 2020), Ximen will have a right (for 9 months thereafter) to elect to form a joint venture with GGX by paying to the GGX the amount of money equal to 30% of the total amount expended on the property by GGX. If Ximen exercises this joint venture right, Ximen and GGX will enter into a joint venture for the exploration and development of the property. **In other words:** GGX is doing all the work, financing/dilution (i.e. taking the risk), and if the project becomes a success, it is Ximen who then has the decision power to get back 30% interest by paying 30% of the costs that GGX spent. For this reason, I am a shareholder of Ximen (and not GGX). With less than 27 million shares issued and outstanding, Ximen has a tightly



Freshly cut drill core from the COD Vein (hole COD18-67).

held share structure with less risk of future dilution as it receives annual cash payments from its optionees.

According to [CanadianInsider.com](#), Ximen's CEO, Christopher R. Anderson, increased his holdings from less than 3 million shares to more than 4.3 million shares last year. As per December 28, 2018, he also held 1.2 million warrants and 0.8 million options, thus, if all exercised, controlling around 6.3 million Ximen shares. According to Ximen's [website](#), insider ownership / major shareholders account for 40% of the company (as of September 2018).

In other words: Management and insiders have serious "skin in the game", i.e. they put their money where their mouth is.

Previous Coverage

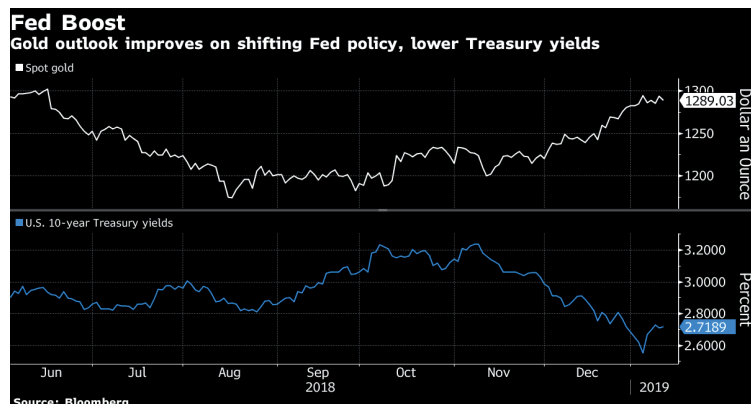
[Report #3:](#) "Strong drill results and appreciating precious metals prices may herald golden times for Ximen"

[Report #2:](#) "Ximen reveals striking drill core observations ahead of assays"

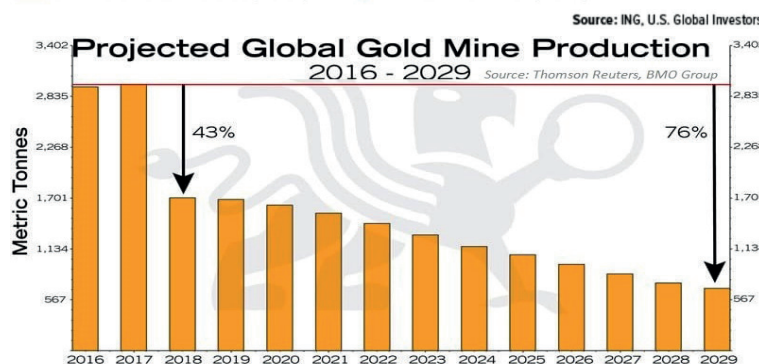
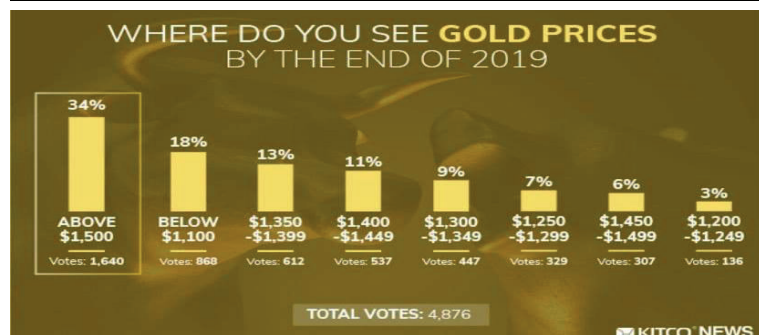
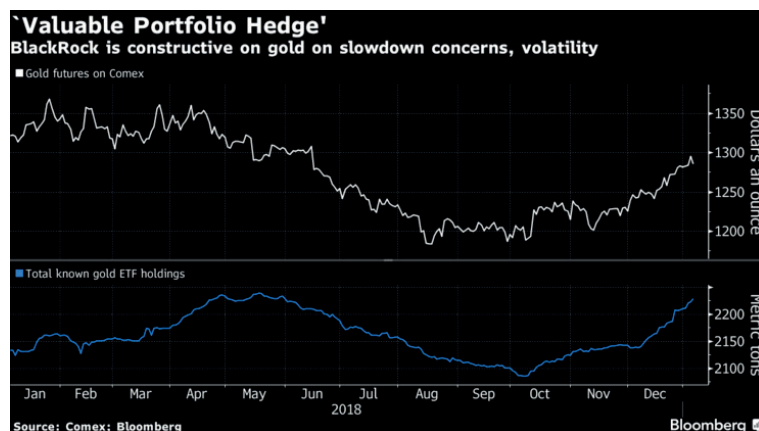
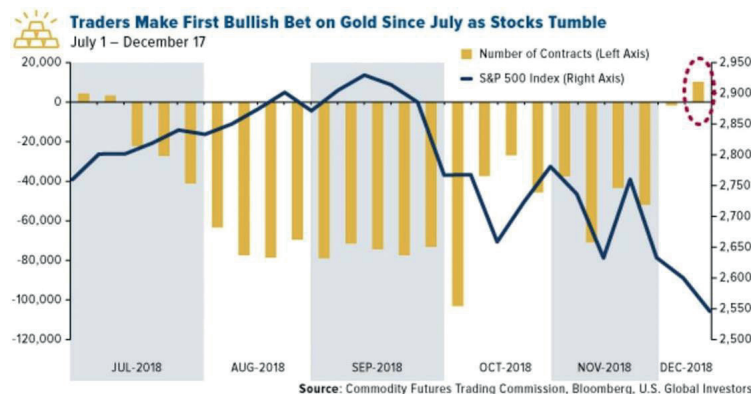
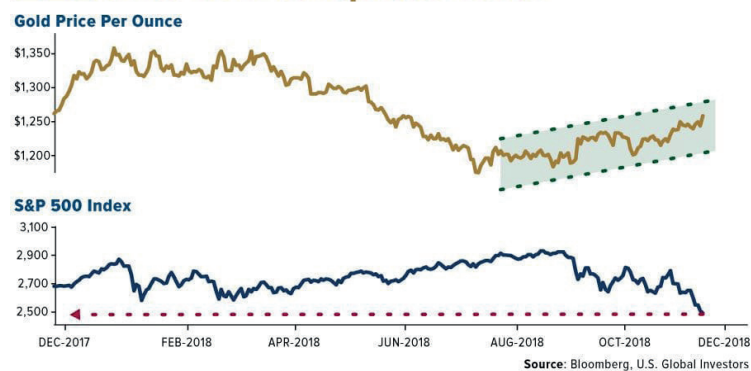
[Report #1:](#) "Hunting for Multi-Million Ounces in British Columbia"



According to the recent Bloomberg article [Goldman Predicts Gold Prices to Climb to Highest Since 2013](#) (January 10, 2019): Goldman Sachs Group Inc. is leading a pack of bullish voices cheering for gold. The bank's analysts... raised their price forecast for gold, predicting that over 12 months the metal will climb to \$1,425 an ounce -- a level not seen in more than five years. Bullion has benefited as rising geopolitical tensions fuel central bank purchases, while fears of a recession helped boost demand from investors seeking "defensive assets," they said... Speculative interest in gold signals investors are not only closing bearish bets but are also adding to bullish positions... "We expect the safe-haven bid, and to a lesser extent, gold's inflation hedge properties, to remain key drivers of the metal's price in 2019, complemented by a resurgence of physical demand," Cantor Fitzgerald analysts led by Mike Kozak said in a report. Gold and silver are "looking good in 2019," underlining a potentially positive indicators that "should drive a bullish case" for both metals "and as a result, the related equities as well."



Gold Prices on Pace for Their Best Quarter Since 2017 as Equities Waver





Link to updated chart (15 min. delayed): <http://schrts.co/DHtSzK>



Disclaimer and Information on Forward Looking Statements

Rockstone Research, Zimtu Capital Corp. and Ximen Mining Corp. ("Ximen") cautions investors that any forward-looking information provided herein is not a guarantee of future results or performance, and that actual results may differ materially from those in forward-looking information as a result of various factors. The reader is referred to the Ximen's public filings for a more complete discussion of such risk factors and their potential effects which may be accessed through the Ximen's documents filed on SEDAR at www.sedar.com. All statements in this report, other than statements of historical fact, should be considered forward-looking statements. Statements in this report that are forward looking include that more drill results are expected to be released shortly; that mineralization intersected in hole COD18-67 is possibly being, or leading to, a "motherlode"-style feeder system; that this hole indicates how potential drifting may encounter the vein in case a production decision can be made in the future; that the strike length of the COD Vein is estimated at a potential 1,200 m; that another drill program may start shortly, if at all; that Kinross could be looking for replacement feedstock to keep its Kettle River Mill alive; that the option agreement between Ximen and GGX Gold Corp. ("GGX") is favorable for Ximen; that Ximen offers less risk of future share dilution relative to other companies as it receives annual cash payments from its optionees; and that even a small or modest tonnage of high-grade ore could potentially be profitable to extract, given the excellent infrastructure of the region and the property itself. Readers should not rely on these forward looking statements. These forward-looking statements are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. Risks that could change or prevent these statements from coming to fruition include that exploration and development may not be successful; that expected drill results could turn out marginal or bad, or that only barren or low-grade mineralization will be reported; that good reported grades may not be prevalent throughout the property; that Ximen or its partners may not raise sufficient funds to carry out their plans; that Ximen may not receive any more cash and/or share payments from its option partners; that Ximen's option partners may not continue exploration or related work commitments; changing costs for exploration and other matters; increased capital costs; interpretations based on current data that may change with more detailed information; potential process methods and mineral recoveries assumption based on limited test work and by comparison to what are considered analogous deposits may prove with further test work not to be comparable; the availability of labour, equipment and markets for the products

produced; world and local prices for metals and minerals; that joint venture terms may be changed or no agreement is reached; and even if there are considerable resources on the company's properties, they may not be minable profitably. The writer assumes no responsibility to update or revise such information to reflect new events or circumstances, except as required by law.

Disclosure of Interest and Advisory Cautions

Nothing in this report should be construed as a solicitation to buy or sell any securities mentioned. Rockstone, its owners and the author of this report are not registered broker-dealers or financial advisors. Before investing in any securities, you should consult with your financial advisor and a registered broker-dealer. Never make an investment based solely on what you read in an online or printed report, including Rockstone's report, especially if the investment involves a small, thinly-traded company that isn't well known. The author of this report, Stephan Bogner, is paid by Zimtu Capital Corp. ("Zimtu"), a TSX Venture Exchange listed investment company. Part of the author's responsibilities at Zimtu is to research and report on companies in which Zimtu has an investment or is being paid to conduct shareholder communications. So while the author of this report may not be paid directly by Ximen Mining Corp., the author's employer Zimtu will benefit from appreciation of Ximen's stock price. In addition, the author also holds equity of Ximen Mining Corp., as well as Zimtu Capital Corp., and thus would also benefit from volume and price appreciation of their stocks (the author does not hold any equity positions or other kind of interests in GGX Gold Corp.). Ximen has paid Zimtu to provide this report and other investor awareness services. Overall, multiple conflicts of interests exist. Therefore, the information provided should not be construed as a financial analysis but as an advertisement. The author's views and opinions regarding the companies featured in reports are his own views and are based on information that he has researched independently and has received, which the author assumes to be reliable. Rockstone and the author of this report do not guarantee the accuracy, completeness, or usefulness of any content of this report, nor its fitness for any particular purpose. Lastly, the author does not guarantee that any of the companies mentioned will perform as expected, and any comparisons made to other companies may not be valid or come into effect. Please read the [entire Disclaimer](#) carefully. If you do not agree to all of the Disclaimer, do not access this website or any of its pages including this report in form of a PDF. By using this website and/or report, and whether or not you actually read the Disclaimer, you are deemed to have accepted it. Information provided is for entertainment and general in nature. Data, tables, figures and pictures, if not labeled or hyperlinked otherwise, have been obtained from Stockwatch.com,

Author Profile & Contact

Stephan Bogner (Dipl. Kfm., FH)
Rockstone Research
8260 Stein am Rhein, Switzerland
Phone: +41 44 5862323
Email: sb@rockstone-research.com

Stephan Bogner studied Economics, with specialization in Finance & Asset Management, Production & Operations, and Entrepreneurship & International Law, at the International School of Management



(Dortmund, Germany), the European Business School (London, UK) and the University of Queensland (Brisbane, Australia). Under [Prof. Dr. Hans J. Bocker](#), Stephan completed his diploma thesis ("Gold In A Macroeconomic Context With Special Consideration Of The Price Formation Process") in 2002. A year later, he marketed and translated into German Ferdinand Lips' bestseller "Gold Wars". After working in Dubai's commodity markets for 5 years, he now lives in Switzerland and is the CEO of [Elementum International AG](#) specialized in duty-free storage of gold and silver bullion in a high-security vaulting facility within the St. Gotthard Mountain in central Switzerland.

Rockstone Research is specialized in capital markets and publicly listed companies. The focus is set on exploration, development, and production of resource deposits, as well as cannabis and technology ventures. Through the publication of basic geological and stock market knowledge, the individual company and sector reports receive a background in order for the reader to be inspired to conduct further due diligence and to consult with a financial advisor.

All Rockstone reports are being made accessible free of charge, whereas it is always to be construed as non-binding research and is addressed solely to a readership that is knowledgeable about the risks, experienced with stock markets, and acting on one's own responsibility.

For more information and sign-up for free email newsletter, please visit:

www.rockstone-research.com