

# Point Loma Resources

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## Mackie Research reiterates 'buy' rating on Point Loma Resources Ltd as it closes C\$3.2 million financing round

Mackie Research has reiterated its price target for Alberta-focused junior Point Loma Resources Ltd (CVE:PLX) after the firm announced the closure of an equity financing Thursday, raising C\$3.2 million.

Reiterating a 'buy' rating on the stock, Mackie analyst Bill Newman maintained the target for Point Loma at C\$1.10.

Point Loma has also raised an additional C\$673,000 from the recent sale of non-core assets

The C\$3.84 million net proceeds will be invested into a high impact drilling program, targeting oil in the Rex (Upper Mannville), Banff and Lower Mannville plays.

Newman noted that "success on just one play would unlock significant value and be a game changer for the stock."

The firm controls over 150,000 net acres on the prospective multi-zone Mannville to Mississippian fairway of West Central Alberta, with over 250 net drilling opportunities.

Newman noted that the company has recently secured the rights to a new high impact Rex (Upper Mannville) oil play in the Leduc area.

The analyst noted that internal mapping indicates the Rex pool has the potential to hold up to 60 million barrels of original oil in place.

"Assuming a 10% recovery factor based on primary production only, we calculate a potential net recoverable resource of 4.8 million barrels equivalent to 65% of PLX current 2P reserves."

Banff oil pools also promising

Mackie also highlighted that the oil group has now identified two, well defined, Banff oil pools on its West Cove lands, which are, notably, on trend with other significant Banff oil pools in the area.

The analyst noted that based upon OOIP resource of between 25 to 75 mmbbls, it calculated a mean potential net value of C\$40.0 million (C\$0.56/sh) per pool with an upside case of C\$135 million (C\$1.89/sh) per pool.

Newman also noted that the company expects to drill a horizontal well targeting one of the Banff pools in 2019 which could be a game-changer for the company.

Mackie also noted that encouraging production test results from the recently Duvernay shale oil horizontal wells and over C\$172 million recently spent to acquire prospective lands.

**Price:** C\$0.16

**Market Cap:** C\$12.02M

### 1 Year Share Price Graph



### Share Information

**Code:** PLX

**Listing:** TSX-V

**52 week High Low**  
C\$0.37 C\$0.14

**Sector:** Oil & Gas

**Website:** [www.pointloma.ca](http://www.pointloma.ca)

### Company Synopsis:

*Point Loma Resources is new publicly traded Oil and Gas company that has captured a large position on the Mannville oil and liquids rich gas trend in west central Alberta. As a new company we have no bank debt, a solid balance sheet and an experienced team focussed on creating shareholder value.*

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Overall, he noted Point Loma "has multi-bagger return potential from its Banff and Rex oil plays, to be drilled shortly, and the Duvernay shale oil resource play."

With no bank debt, the company remains highly undervalued trading well below its 1P proven reserves value of C\$0.37 per share and far below its 2P asset value which is backstopped by its Mannville assets alone, it noted.

Point Loma shares in Toronto were at C\$0.25 on Thursday.

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