

ModernGraham Valuation

Company Name:

Klondex Mines Ltd

Company Ticker TSE:KDX

Date of Analysis

2/6/2017



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass 6 out of the following 7 tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$1,233,466,763	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	4.09	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-410.34%	Fail
5. Earnings Growth	PEmg < 20	48.34	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.48	Pass
7. Moderate Price to Assets			

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	4.09	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.06	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Pass
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.14
MG Growth Estimate	15.00%
MG Value	\$5.42
MG Value based on 3% Growth	\$2.04
MG Value based on 0% Growth	\$1.20
Market Implied Growth Rate	19.92%

MG Opinion

Current Price	\$6.80
% of Intrinsic Value	125.56%
Opinion	Overvalued
MG Grade	F

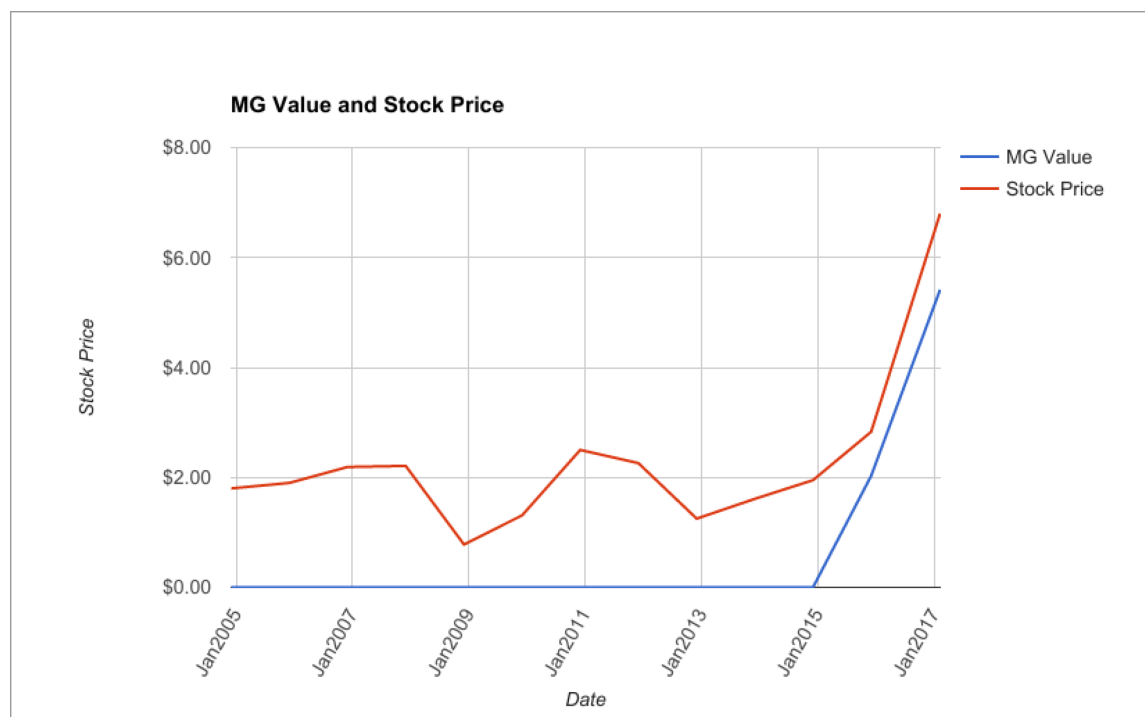
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$0.44
Graham Number	\$4.04
PEmg	48.34
Current Ratio	4.09
PB Ratio	2.48
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$0.25	Next Fiscal Year Estimate	\$0.14
Dec2015	\$0.22	Dec2015	\$0.05
Dec2014	\$0.16	Dec2014	-\$0.05
Dec2013	-\$0.21	Dec2013	-\$0.15
Dec2012	-\$0.08	Dec2012	-\$0.12
Dec2011	-\$0.16	Dec2011	-\$0.13
Dec2010	-\$0.17	Dec2010	-\$0.10
Dec2009	-\$0.09	Dec2009	-\$0.07
Dec2008	-\$0.05	Dec2008	-\$0.06
Dec2007	-\$0.06	Dec2007	-\$0.07
Dec2006	-\$0.07	Dec2006	-\$0.07
Dec2005	-\$0.09	Dec2005	-\$0.06
Dec2004	-\$0.04	Dec2004	-\$0.04
Dec2003	-\$0.08	Dec2003	-\$0.04
Dec2002	-\$0.02	Dec2002	-\$0.02
Dec2001	-\$0.02	Dec2001	-\$0.02
Dec2000	-\$0.01	Dec2000	-\$0.02
Dec1999	-\$0.03	Balance Sheet Information 9/1/2016	
Dec1998	-\$0.02	Total Current Assets	\$208,157,000
Dec1997	-\$0.04	Total Current Liabilities	\$50,956,000
Dec1996	\$0.00	Long-Term Debt	\$10,166,000
		Total Assets	\$565,615,000
		Intangible Assets	\$0
		Total Liabilities	\$140,455,000
		Shares Outstanding (Diluted Average)	154,799,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

Recommended Reading:

Other
ModernGraham
posts about the
company

#N/A

Other
ModernGraham
posts about related
companies

[Natural Resource Partners LP Valuation – February 2017 \\$NRP](#)
[Kaiser Aluminum Corp Valuation – Initial Coverage \\$KALU](#)
[Freeport-McMoRan Inc Valuation – January 2017 \\$FCX](#)
[Semafo Inc Valuation – Initial Coverage \\$TSE:SMF](#)
[U.S. Silica Holdings Inc Valuation – Initial Coverage \\$SLCA](#)
[Ivanhoe Mines Ltd Valuation – Initial Coverage \\$TSE:IVN](#)
[Cloud Peak Energy Inc Valuation – Initial Coverage \\$CLD](#)
[Centerra Gold Inc Valuation – Initial Coverage \\$TSE:CG](#)
[IAMGOLD Corp Valuation – Initial Coverage \\$IMG](#)
[Silver Wheaton Corp Valuation – December 2016 \\$SLW](#)