Fortitude Gold Corporation (FTCO)

Updated August 9th, 2025 by Nikolaos Sismanis

Key Metrics

Current Price:	$3.59	**5 Year CAGR Estimate:**	-8.5%	**Market Cap:**	$87 M
Fair Value Price:	$1.70	**5 Year Growth Estimate:**	0.0%	**Ex-Dividend Date:**	08/20/2025
% Fair Value:	211%	**5 Year Valuation Multiple Estimate:**	-13.9%	**Dividend Payment Date:**	08/29/2025
Dividend Yield:	3.3%	**5 Year Price Target**	$1.70	**Years Of Dividend Growth:**	0
Dividend Risk Score:	F	**Sector:**	Basic Materials	**Rating:**	Sell

Overview & Current Events

Fortitude Gold Corporation was spun-off from Gold Resource Corporation into a separate public company in December 2021. Fortitude Gold is a junior gold producer with operations in Nevada, U.S.A, one of the world's premier mining-friendly jurisdictions. The company targets high-grade gold open pit heap leach operations averaging one gram per tonne of gold or greater. Its property portfolio currently consists of 100% ownership in seven high-grade gold properties. All seven properties are within an approximate 30-mile radius of one another within the prolific Walker Lane Mineral Belt. The company generated $37.3 million in revenues last year, the majority of which were from gold, and is based in Colorado Springs, Colorado. It pays dividends on a monthly basis. Shares are trading over the counter (OTC) and are not listed on a major exchange.

On August 5th, 2025, Fortitude Gold released its second-quarter 2025 results for the period ending June 30th, 2025. For the quarter, revenues came in at $4.9 million, marking a 49% decline compared to Q2 2024. The decrease in revenue was largely due to a 64% drop in gold sales volume and a 45% decrease in silver sales volume. These declines were partially offset by a 40% increase in gold prices and a 14% increase in silver prices.

Moving to the bottom line, Fortitude reported a mine gross profit of $2.6 million compared to $4.8 million the previous year, reflecting the lower net sales. Thus, Fortitude recorded a net income of $0.8 million versus a net loss of $0.1 million in Q2 2024. On a per-share basis, the company posted a net income of $0.04.

We have set this year's estimate EPS to $0.20, although Fortitude's outlook is somewhat speculative.

The company maintained its reduced monthly dividend of $0.01 per share, paying $1.5 million in dividends during the quarter. Fortitude continues to await permit approval for its County Line project, which moved into the final approval stages during the quarter, while advancing the development of a deeper mineralized zone at its Isabella Pearl mine.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	---	---	---	---	---	$0.48	$0.75	$0.61	$0.71	($0.08)	***$0.20***	***$0.20***
DPS	---	---	---	---	---	---	$0.31	$0.48	$0.48	$0.48	***$0.12***	***$0.12***
Shares[1]	---	---	---	---	---	21.2	24.1	24.2	24.2	24.2	***24.2***	***24.5***

Fortitude Gold was initially estimating that its annual gold production will be sustained close to 40K ounces well through 2028. However, this outlook has now been deferred as the company awaits permits from regulatory agencies to mine deeper in the Isabella Pearl deposit as well as expand mine operations with permit approval to build its second mine, its County Line project. For this reason, we have lowered this year's estimate, as well as our previous medium-term assumptions.

In terms of its dividend, the company has a unique policy: Returning as much cash to shareholders as soon as possible while balancing the capital needs of operations, reinvesting capital back into the business for organic growth, and paying taxes.

[1] Share count is in millions.

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Jason Reid, the company's CEO, has clearly stated they aim to counter the criticism of mining equities providing no yield, thus targeting an attractive yield while dividends are paid monthly. Management believes this trait will differentiate the company from its mining peers from an investors' standpoint. Still, the latest dividend cut was a reality check regarding the industry's tough nature and overall unpredictability. We see stable payouts ahead, matching our EPS forecast.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	---	---	---	---	---	---	9.7	10.0	8.1	---	***18.0***	***8.5***
Avg. Yld.	---	---	---	---	---	---	4.2%	7.8%	8.3%	9.0%	***3.3%***	***7.1%***

Fortitude Gold currently trades at 18.0 times our EPS estimate. We believe this multiple is rich for a company in this space. Despite Fortitude's decent performance during its short history, the fact that its future earnings potential is impacted by a commodity that fluctuates, additional risks attached to an OTC listing (e.g., liquidity risks), and higher interest rates, we believe that the current multiple overvalues the stock. Further, the 3.3% yield no longer appears attractive following the latest dividend cut.

Safety, Quality, Competitive Advantage, & Recession Resiliency

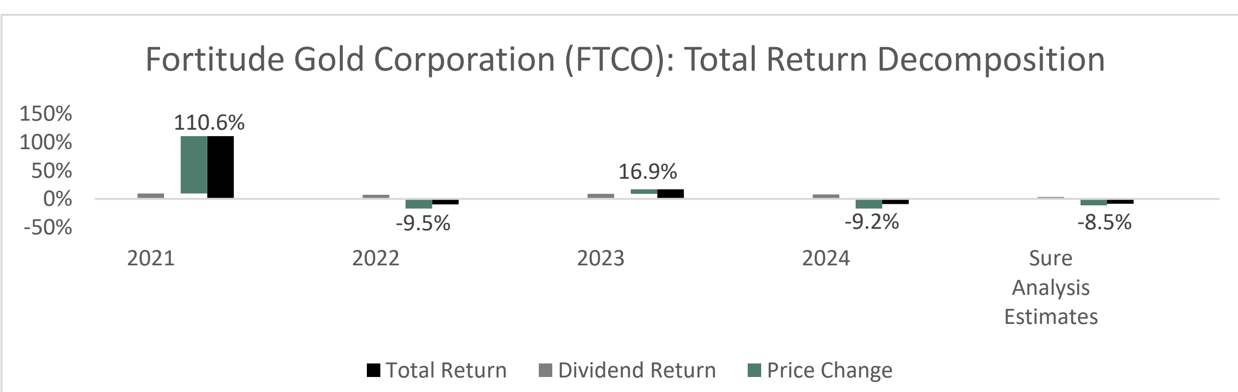
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	---	---	---	---	---	---	41%	79%	68%	---	*60%*	*60%*

We consider Fortitude Gold's payouts speculative. They could easily be cut assuming an extended, bad environment for the commodity, or other reasons, as we just recently saw. Still, Fortitude's competitive advantage lies in management's expertise and robust shareholder value creation track record. During their leadership role in Gold Resource Corporation (NYSE:GORO) prior to the spin-off, they generated over $1 billion in revenues, recorded ten consecutive years of profitability, and distributed over $116 million in dividends to shareholders, among other developments. Its properties also feature exceptionally high-ore grade and near-surface deposits, resulting in low-cost operations relative to its peers. Additionally, the balance sheet is pristine, with $116.5 million in total assets against just $9.8 million in total liabilities, resulting in a strong equity value of $106.7 million. The company is not necessarily vulnerable to a recession, as future results are mostly subject to gold prices and other factors.

Final Thoughts & Recommendation

Fortitude Gold Corporation appears like a decent pick for investors who seek exposure to gold miners combined with regular payout. However, the recent dividend cut reminds investors that companies in basic materials can easily stumble even under great sector conditions. At its current price levels, we are unsure if FTCO will be able to produce positive returns moving forward. Shares earn a sell rating.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	---	---	---	---	15	54	82	74	73	37
Gross Profit	---	---	---	---	0	16	41	35	41	18
Gross Margin	---	---	---	---	3.2%	30.0%	49.4%	47.6%	56.4%	49.1%
SG&A Exp.	---	---	---	---	2	3	11	6	5	6
D&A Exp.	---	---	---	---	4	10	15	13	12	6
Operating Profit	---	---	---	---	(3)	11	24	18	19	(1)
Operating Margin	---	---	---	---	-18.7%	19.7%	28.9%	24.2%	26.0%	-1.4%
Net Profit	---	---	---	---	(3)	10	18	15	17	(2)
Net Margin	---	---	---	---	-19.9%	18.9%	21.8%	19.7%	23.3%	-5.5%
Free Cash Flow	---	---	---	---	(28)	7	20	17	18	(10)
Income Tax	---	---	---	---	-	0	6	3	4	3

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	---	---	---	---	84	113	122	131	135	122
Cash & Equivalents	---	---	---	---	1	28	40	45	49	27
Accounts Receivable	---	---	---	---	-	0	0	-	0	-
Inventories	---	---	---	---	11	23	38	47	24	12
Total Liabilities	---	---	---	---	18	15	10	15	14	14
Accounts Payable	---	---	---	---	5	2	2	3	4	3
Long-Term Debt	---	---	---	---	2	1	-	-	-	-
Shareholder's Equity	---	---	---	---	66	98	112	116	121	108
LTD/E Ratio	---	---	---	---	0.03	0.01	-	-	-	-

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	---	---	---	---	---	10.4%	15.2%	11.6%	12.8%	-1.6%
Return on Equity	---	---	---	---	---	12.5%	17.0%	12.9%	14.4%	-1.8%
ROIC	---	---	---	---	---	12.3%	16.9%	12.9%	14.4%	-1.8%
Shares Out.	---	---	---	---	---	21.2	24.1	24.2	24.2	24.2
Revenue/Share	---	---	---	---	0.63	2.26	3.41	3.07	3.02	1.55
FCF/Share	---	---	---	---	(1.15)	0.27	0.83	0.69	0.73	(0.42)

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.