

The good news continues for one of Canada's largest undeveloped gold resources

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[Troilus Gold Corp.](#) (TSX: TLG | OTCQB: CHXMF) ('Troilus') has been having success in recent months discovering very high grade gold, silver and copper samples; suggesting that the increased market valuation has yet to be translated into comparable share value. It seems the market has not been paying attention. Or perhaps the recent [capital raise of C\\$22.1 million](#) has slowed the price gains. At least for now this is indeed more good news for the Company...

Speaking of good news, Troilus Gold Corp. had three strong news releases in H2 2020:

On December 9, 2020 Troilus [reported](#): "Troilus expands high grade Testard Zone with **outcrop samples up to 80 g/t gold and 1,060 g/t silver** and **channel samples up to 19.5 g/t gold**; Beyan Zone expanded with **12 g/t gold outcrop sample** located 600 metres north of main discovery." This is good news, yet the market has hardly reacted.

On October 19, 2020 Troilus [reported](#): "Troilus reports up to **203 g/t (6.53 Oz/tonne) gold, 2,440 g/t (78.45 Oz/tonne) silver and 4.37% copper** from insitu sample located 10km south of current mineral resource." Again very high grades, albeit just small samples.

It should be noted these are only sample findings at this stage; however high grade gold is considered to be above 5 g/t, high grade silver above 50 g/t, and high grade copper above 1.5%.

What this means is that these excellent sample results are potentially good early indicators towards future drill results, but no guarantee.

In further good news, in December 2020 Troilus Gold [announced](#) that they had entered into an agreement “pursuant to which it has repurchased and cancelled the sliding 2.5% Net Smelter Royalty (“NSR”) from First Quantum Minerals Ltd. (“FQML”) attached to the 81 mineral claims and one surveyed mining lease known as the Troilus Mine, for cash consideration of C\$20 million.” My take on this news is that Troilus Corp. must be very confident in their Project that they were prepared to pay C\$20 million to extinguish the royalty.

The Troilus Gold Project and Mine aerial view and location map



[Source](#): Troilus Gold Corp. Corporate presentation

More about Troilus Gold Corp.

Troilus is focused on exploration and a potential mine re-start of the former gold and copper Troilus Mine. The Troilus Property (includes the past producing mine) encompasses 107,326 hectares and is located within the Frotêt-Evans Greenstone Belt in Quebec, Canada. This is a highly prospective gold region and the Troilus Property is still largely unexplored, leaving excellent exploration upside. From 1996 to 2010, Inmet Mining Corporation operated the Troilus Project as an open pit mine, producing more than 2 million ounces of gold and nearly 70,000 tonnes of copper. In 2017 Troilus acquired the Project and has drilled over 80,000 metres and grown the resource significantly. It is also good to note that back in 2010 [when the old Troilus Mine closed](#) gold was trading at about US\$1,000/oz; almost half today's gold price.

The Troilus Project has an Indicated Resource of [4.96 million ounces of contained AuEq @ 0.87g/t AuEq](#) and an Inferred Resource of 3.15 million ounces of contained AuEq @0.84g/t. This is a considerable size resource for a gold junior on a huge and mostly unexplored property. In fact it is [one of the largest undeveloped gold resources in Canada](#). The Project looks likely to be a combination of open pit and underground mining.

Troilus Gold Corp. Preliminary Economic Assessment (PEA) (Aug. 2020) and reasons to invest



[Source](#): Troilus Gold Corp. Corporate presentation

Closing remarks

Troilus trades on a market cap of C\$167 million (~US\$132 million), which appears to be good value given where the current gold price is today, hovering around [US\\$1,945/oz](#). As shown above at gold US\$1,950 the PEA post-tax NPV5% is US\$1.156 billion. Perhaps the low market cap (11% of the gold US\$1,950 NPV) is because Troilus is still in the relatively early stages of proving up their resource and is yet to fund their Project. The Quebec jurisdiction is excellent and the Project has US\$350 million worth of existing infrastructure in place. Finally Troilus has [very high institutional equity ownership](#) (+ Eric Sprott) and high insider ownership with a strong management team with a proven track record. We will know more after the PFS is released at some stage in 2021.

All of this gives long term investors that are bullish on gold plenty of reasons to consider Troilus Gold Corp. as your next junior gold play. You can read more [here](#) in my previous article.

Disclosure: The author is long Troilus Gold Corp. (TSX: TLG)