

With coming PFS Troilus Gold sees potential to be a cornerstone gold mine for decades to come

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Many small gold mining stocks fail to deliver. This is the nature of mining, especially gold, given gold is so hard to find. Today's company is an exception as it continues to deliver solid results at their gold-copper project in Quebec Canada.

[Troilus Gold Corp.](#) (TSX: TLG | OTCQX: CHXMF) (Troilus) is a junior gold mining success story potentially in the making. The Company bought the former gold and copper Troilus Mine in 2017 and has successfully grown the resource since then to the point where Troilus now has [one of the largest undeveloped gold resources in Canada](#). The Troilus Gold Project now 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. The Project consists of a 142,000 hectares (1,420 km²) land package in north central Quebec, Canada and lies within the prospective Frôtet-Evans Greenstone Belt.

The Troilus Gold Project in Quebec, Canada is a former gold-copper mine with plans to restart and produce 220-250,000 Au oz pa



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

A recap of 2021 for Troilus

Troilus CEO, Justin Reid, summed up 2021 nicely [stating](#): “2021 was an intensive year of work by the Troilus team as it continued to solidify the foundations and advance our mining project, which we believe has the potential to be a cornerstone Canadian mine for decades to come.....First and foremost, we had great success with the drill bit and in the field... **As it turned out, the more we drilled, the more mineralization we found.** Our understanding of the geology at Troilus continues to improve and evolve. In 2021, we drilled ~100,000 metres, over 50% of which were drilled in the newly discovered Southwest Zone, where we identified some of the best grades ever at Troilus. This zone continues to be a priority growth target, with results suggesting a much broader system well beyond the existing mineral envelope which remains open at depth and in all directions. 2021’s drill program also identified a new hanging wall in the J Zone, demonstrating mineral continuity over a 700m strike length parallel to the main ore body.”

Note: Bold emphasis by the author.

The Troilus Gold Project showing the various gold discovery zones as well as the 2020 PEA pit shell designs



Source: [Troilus Gold company presentation](#)

Recent success has seen the stock price move higher in 2022

Recent drilling has continued this success with further high grade results notably at the Southwest zone, but also making a new discovery at Testard. Troilus has also had some [very good gold \(92.9%\) and copper \(90.4%\) recovery results](#) from their pilot test program.

- [May 4, 2022](#) – “Troilus drills 13.64 g/t AuEq over 3m,

Incl. 29.81 g/t over 1m, 2.42 g/t AuEq over 6m, 2.11 g/t AuEq over 10m in the Southwest Zone; New mineral extension identified 300m below PEA pit shell... All the results reported today will be included in the mineral resource update and Pre-Feasibility Study, expected in mid-2022."

- [April 21, 2022](#) – "Troilus drills record high-grade in Southwest Zone: 92 g/t and 68 g/t gold over 1m, and 3.07 g/t AuEq over 15m, Zone extended +200m; Initial gap Zone drilling returns 4.2 g/t AuEq over 7m."
- [March 31, 2022](#) – "Troilus announces new discovery at Testard: Drills 4.6 g/t gold over 7.6m, Incl. 20.2 g/t over 1.2m; 6.7 g/t gold over 3.2m, 10km from main mine site."

Regarding the new Testard discovery, Troilus CEO Justin Reid, [stated](#): "Testard has returned the highest insitu gold and silver grades identified to date within the entire Frôtet-Evans Greenstone Belt; these initial drill results are hugely motivating to our team as we continue to assess results and further develop our models in preparation for an expanded drill program."

Next steps

In [mid-2022](#) Troilus expects to release an updated mineral resource estimate (will include results from the successful 2021 drill campaign) and a Preliminary Feasibility Study (PFS). The [2020 Preliminary Economic Assessment \(PEA\)](#) resulted in a post-tax NPV5% of US\$915 million, post-tax IRR of 32.2%, based on a US\$1,750/oz gold price.

Closing remarks

Troilus continues to grow their resource and potentially move towards becoming a Canadian mid-tier gold producer.

The PEA mentioned above forecasts Troilus to be a low-cost producer with cash operating costs of US\$719/oz AuEq. Given the rise in copper prices the past year this is likely to drop even lower in the upcoming PFS. Combine this with a larger resource and the potential for a low-cost, long life, mine only grows further. The [2020 PEA](#) concluded that the “projected payable gold is 3.8 million ounces, payable copper 265 million lbs and payable silver 1.5 million ounces over the 22-year mine life.”

This makes Troilus a potential future mid tier gold producer in Canada, with gold production forecast at around [220-250,000 oz pa](#). Certainly, the initial CapEx (net of US\$350 million of existing infrastructure) of US\$333 million looks to be achievable. Sustaining CapEx over the life of the mine is estimated at an additional US\$506 million.

Troilus Gold trades on a market cap of [C\\$160 million](#). Looking good, especially if gold prices stay strong. Stay tuned for the upcoming updated resource estimate and PFS in the coming months.

Gold mine veteran leadership team steps into management and breathes new life into Signature Resources

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In the gold mining world there are two key parameters that can make investors a fortune – discovering high grade gold, and

growing a high grade accessible resource. One junior gold mining company looks to be moving in that direction after appointing the highly experienced gold mine veteran [Robert Vallis](#) as CEO prior to the holidays. This was done right on the heels of appointing [Paolo Lostritto](#) as Chairman, yesterday they strengthened the team with the addition of Management and Board Advisor [Dan Denbow](#).

[Signature Resources Ltd.](#) (TSXV: SGU | OTCQB: SGGTF | FSE: 3S3) ('Signature') owns 100% of the Lingman Lake Gold Mine & Project in Ontario, Canada. Their Property encompasses 12,148 hectares and has a strike length of over 27 kilometers across the Lingman Lake Greenstone Belt. There is also nearby expansion potential at Lingside West and Lingside East, deposits that are thought to be extensions of the Lingman Lake Gold Mine deposit.

Location map of Signature Resources Lingman Lake Gold Mine & Project



[Source](#): Company presentation

The Property has a historical mine (Lingman Lake Gold Mine) with a mine shaft and 3 levels along with a 250 tpd mill built in the 1940's. The underground substructure consists of a 126.5-meter shaft, and levels at 46-meters, 84-meters and 122-meters depths. There is also an exploration camp built with a company owned drill rig on site.

Historical exploration since the 1930's at the Lingman Lake Gold Mine



[Source](#): Company presentation

The Lingman Lake Gold Mine has a historical resource (not yet NI 43-101 compliant) of over **234,000 oz of contained gold averaging 6.87 g/t Au**. It should be noted that Lingman Lake's historic resource was drilled with <700 m strike length and the deposit remains open laterally and to depth.

As shown below, recent drilling indicates potential for higher grades including a vertical underground raise which averaged **28 g/t Au over 30m**.

Sample high grade drill results plus high grade bulk samples from 9.5g/t to 19.0g/t Au



[Source](#): Company presentation

Next steps

Next steps include Phase 1 drilling focused on expanding known zones of mineralization along strike and down plunge. This is to be followed by Phase 2 drilling focused on regional targets that have never been tested. Following this Signature plans a maiden NI 43-101 resource in 18 months (about mid 2022).

Closing remarks

High grade gold and an [experienced management team](#) looks to be breathing new life into Signature Resources. Recent ~\$3 million capital raises ([here](#) and [here](#)) and a number of new hirings and appointments (see [recent news](#)) are nice positives to help support the drilling program and resource growth leading into a maiden resource estimate in 2022.

It is not every day that investors can buy into an early stage gold company with high grade gold, existing mine infrastructure, strong management, safe location, and excellent exploration

potential. Especially given Signature Resources trades on a market cap of just C\$18.8 million.

One to follow closely, especially if further high grade results are announced in coming months.